2016 Annual Report
City of St. Albert
Province of Alberta

FOR THE YEAR ENDED DECEMBER 31, 2016

stalbert.ca

City of St. Albert
Cultivate Life

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City of St. Albert, Alberta, Canada
2016 Annual Report, for the year ended December 31, 2016
Prepared by: Corporate Strategic Services Division and Financial Services

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MESSAGE FROM THE MAYOR

On behalf of City Council, it is my pleasure to present the City of St. Albert's 2016 Annual Report.

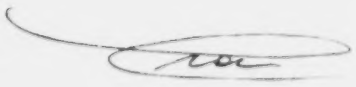
St. Albert, the Botanical Arts City, is one of the safest, most beautiful and most creative places in Canada. We are blessed to live in the midst of a tremendous landscape, with many parks, trails and natural areas in walking distance. We are an active community, which embraces many recreational opportunities available in our city.

The City of St. Albert offers residents a variety of essential services and we are proud to do so in a fiscally responsible manner. Council has taken a long-term view of what is required to ensure we have a sustainable city well into the future. We have developed the City of St. Albert Strategic Plan to outline our priorities and look forward to finalizing our Community Vision to guide councils and administrations over the next 50 years.

Council has identified three strategies that provide clarity on what we as a community are working together to achieve:

- Community Strategy (Social, Economic, Built Environment, Natural Environment and Culture)
- Governance Strategy
- Service Delivery Strategy

Council is committed to providing our City with wise and visionary governance on behalf of residents and local businesses. I invite you to read the rest of this report to learn about the work Administration is doing to support Council's strategic outcomes. By working together with our community, we ensure St. Albert continues to be one of the finest cities in which to live, work and welcome visitors.



Nolan Crouse
Mayor of St. Albert
The Botanical Arts City

MESSAGE FROM THE CITY MANAGER

On behalf of Administration, I am pleased to introduce the City of St. Albert's 2016 Annual Report.

During the past year, Council focused on three strategies related to community, governance and service delivery. Administration maintained existing service standards and recommended new initiatives to support these Council areas of focus. The following are a few highlights you will find detailed in the report.

Community Strategy: Throughout 2016, Administration remained dedicated to making progress toward our Community Vision and Pillars of Sustainability. Every element found under the Community Strategy aligns with the following pillars: social, economic, built environment, natural environment and culture. The pillars assisted in establishing a single source of direction for the City and an effective way to prioritize implementation actions.

Select themes found in the plans and projects mentioned in this section of the report include: safe community supports; diversity and inclusion; accessible housing and transportation; mental health awareness; investment in younger generations; diverse and robust business community; downtown vibrancy; strong business supports and opportunities; thoughtful community design; city growth management; highlighting our built and natural environment; championing environmental action; preservation of history; and healthy and active living.

Governance Strategy: In 2016, from a governance perspective, Administration worked diligently to maintain fiscal responsibility and transparency, to develop strong working relationships with regional, provincial and federal partners and to strive to become a leader in analytics to enhance decision-making. Multiple projects and plans that commenced and continued throughout the year include: negotiation of the electricity and natural gas contract, advocacy plan for Ray Gibbon Drive, Capital Region Board growth plan update and progress toward amending policies to align with the Community Vision.

Service Delivery Strategy: Through Council's commitment to ensuring the City is engaging the community to incorporate resident input and improve decision-making and to creating positive customer service experiences with the community, Administration undertook a number of programs in 2016. They include: the implementation of the Community Vision and Pillars of Sustainability into all major planning, budgeting and reporting elements; the continuation of phase three of the public participation continuous improvement project where the committee solicited input from the community and presented a draft policy to Council; and phase one of the service level benchmarking continuous improvement project which focused on developing an inventory of services provided to residents and stakeholders.

Administration is committed to continuing to provide residents with high-quality, cost-effective and sustainable programs and services that are developed and delivered in alignment with Council's priorities for the community.

Kevin Scoble
City Manager

Introduction

The City of St. Albert is pleased to present its 2016 Annual Report, which provides an overview of the City's various corporate and financial accomplishments throughout the year. These accomplishments are based on the City of St. Albert Strategic Plan outlined in the report and the City's audited financial statements.

The Annual Report is divided into three sections:

Introductory Section – provides messages from the Mayor and City Manager, an overview of the City of St. Albert, including its municipal profile and government structure, and a Year in Review which provides an overview of key corporate activities and accomplishments based on the City of St. Albert Strategic Plan. A discussion and analysis of the financial statements is also included to enhance the reader's understanding of the City's fiscal results and overall condition.

Financial Section – provides the Management and Auditor Reports and presents the audited financial statements including related notes and schedules.

Statistical Section – provides a summary of various financial and general statistics.

CITY PROFILE

One of the most beautiful cities in Alberta, St. Albert has long been recognized as a community of choice with its picturesque landscape, celebrated parks and trail system, state of-the-art amenities, inviting neighbourhoods with tree-lined streets, lively arts and culture, and outstanding attractions and events. Established in 1861, St. Albert is steeped in history and is the oldest non-fortified community in Alberta. Today, St. Albert is a vibrant city with a population of 64,645 (2016 Census report).

With direct access to resource development in northern Alberta and markets in the Capital Region, excellent transportation networks, and a highly-educated workforce, St. Albert is positioned to attract clean, world-class businesses with a focus on professional, scientific and technical services, and smart and "green" industries that match the Botanical Arts City brand.

GOVERNMENT STRUCTURE

The City of St. Albert's mandate is to provide various social and recreational programs, protective services, transportation systems, public utilities, and other local services to the community. The municipality consists of two branches – a legislative branch (comprising City Council), and an administrative branch (led by the City Manager). City Council provides strategic direction to Administration through a variety of plans, bylaws, policies and other governance processes. City Council consists of a Mayor and six Councillors. Council is elected at large by residents to serve a four-year term and governs in accordance with powers granted under the Municipal Government Act.

CITY COUNCIL

Mayor
Nolan Crouse

Councillor
Wes Brodhead

Councillor
Cathy Heron

Councillor
Sheena Hughes

Councillor
Cam MacKay

Councillor
Tim Osborne

Councillor
Bob Russell

CITY COUNCIL VISION, MISSION AND VALUES

City Council's Vision, Mission, and Values provide Administration the foundation to make recommendations to Council and to guide Administration's decisions. The Vision describes the type of city that Council wants St. Albert to become; the Mission describes the Council's purpose; the Values define how Council will carry out decisions and actions.

COMMUNITY VISION

A vibrant, innovative and thriving City that we all call home, that sustains and cherishes its unique identity and small town values. We are the Botanical Arts City.

PILLARS OF SUSTAINABILITY

Social – We are a friendly and inclusive community of passionate equals, where everyone feels a sense of belonging. We believe that community starts with the person next door.

Economic – We prosper and excel through a strong and diverse economy that is supported by forward-thinking commerce, outstanding local businesses and a dynamic downtown core.

Built Environment – We build our community towards the future to sustain balanced development, with a reverent eye to the past, honouring our unique settlement history and distinct identity.

Natural Environment – We protect, embrace and treasure our deeply-rooted connections with the natural environment through championing environmental action.

Culture – We are proud of our storied history that has fed and nurtured our festive and culturally-rich community.

MISSION

Represent the residents of St. Albert, make decisions in the best interests of the entire community and ensure the corporation delivers results that will help sustain a high quality of life for St. Albertans.

VALUES

Community: Consider the best interests of the community.

Engagement: Engage residents and stakeholders in City Council and community matters.

Integrity: Behave consistently with our values.

Respect: Respect and consideration for all people and their perspectives.

Stewardship: Stewardship of community resources.

Trust: Earn and retain trust.

Understanding: Understand the issues – be inquisitive, informed and prepared.

Acceptance: Accept the diversity of opinions and skill sets of Council members.

Forward Thinking: Employ a forward-thinking mindset when faced with decisions that impact the long-term sustainability of the community.

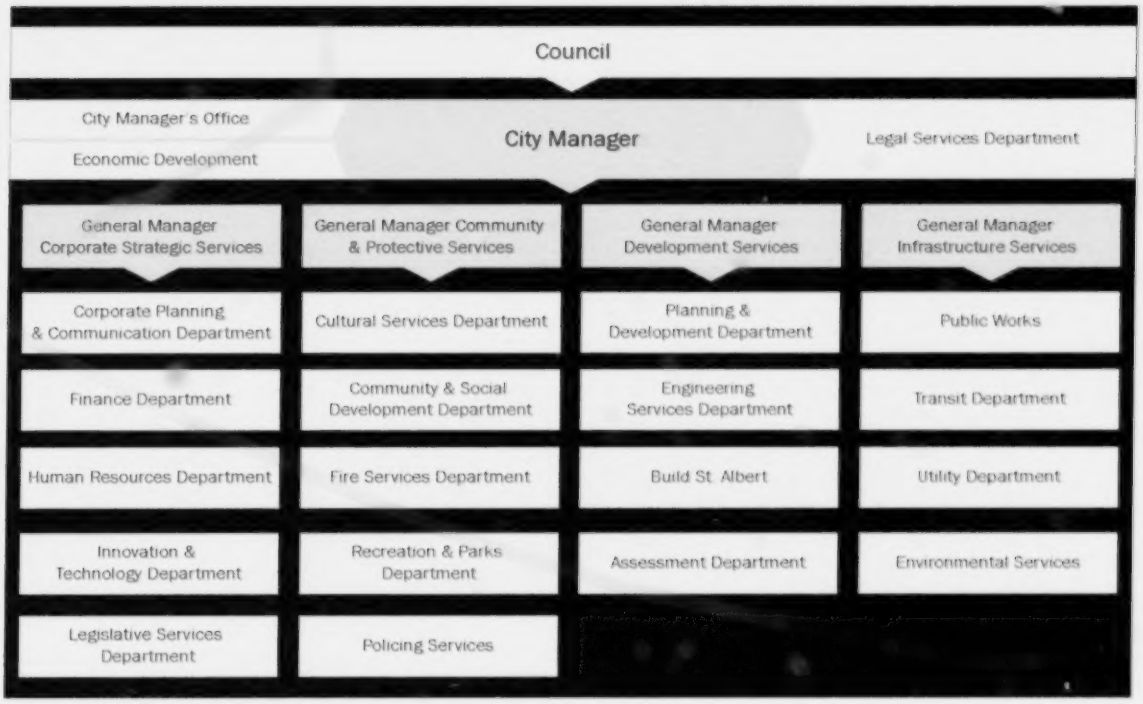
ADMINISTRATION

City Administration is led by an appointed City Manager.

The Senior Leadership Team serves as the organization's executive administration and provides strategic direction. The Senior Leadership Team was reorganized throughout 2016. As of the end of 2016, it includes the City Manager and has the following members:

- General Manager of Community & Protective Services
- General Manager of Corporate Services
- General Manager of Development Services
- General Manager of Infrastructure Services

A broader Leadership Team provides essential support and operational direction. It is made up of department directors.



CITY OF ST. ALBERT STRATEGIC FRAMEWORK

Our strategic framework starts with the City listening, responding, servicing and reporting to residents. Ongoing public consultation also takes place throughout each phase to hear from residents and help guide decisions.

This structured framework provides clarity and directs the City's future, as well as provides a balanced approach to achieve long-term plans and focus on short-term action.

COMMUNITY VISION AND VALUES

The Community Vision and Pillars of Sustainability provide Administration with a single, shared community vision and set of sustainability pillars to govern, align and conform all strategic planning and decision-making efforts across the City.

CITY OF ST. ALBERT STRATEGIC PLAN

Council's strategic directions shall be identified through the development of a four-year City of St. Albert Strategic Plan. The strategic plan identifies Council's priorities for their term, based on its interpretation of the Community Vision and Pillars of Sustainability and long-term plans.

LONG-TERM PLANS

Long-term plans align with the strategic framework and act as the primary long-term plans to achieve the Community Vision and Pillars of Sustainability. These plans include the Municipal Development Plan (MDP), Master Plans, Long-Term Department Plans and other directional plans as deemed appropriate.

CORPORATE ACTION PLANS

Administration shall develop Corporate Action Plans to support the delivery of programs and services and implement the City of St. Albert Strategic Plan. Corporate Action Plans shall provide an overview of the programs and services delivered to the community, strategic initiatives undertaken in support of the City of St. Albert Strategic Plan and resources required to deliver on the plan.

CORPORATE BUDGETING

The corporate budget is the financial representation of the City of St. Albert Strategic Plan. All strategic and operational efforts that result from the City of St. Albert Strategic Plan and Corporate Action Plans are aligned to the City's budget cycle. Each year, Administration prepares a Corporate Business Plan that provides a summary of key strategic priorities, major projects and supporting budget requirements to residents during the annual budget process.

PROGRAM & SERVICE DELIVERY

All programs and services shall align to the Community Vision and Pillars of Sustainability.

EVALUATION & REPORTING

The City communicates its progress towards achieving the community vision through reporting. This includes both quantitative and qualitative statistics based on measurable indicators from the City of St. Albert Strategic Plan. Reporting typically occurs on a quarterly and annual basis.

CITY SERVICES

The City provides a wide-range of support, municipal, and strategic services to its residents and stakeholders. These programs and services are planned and delivered based on community needs and expectations under Council's direction.

In 2016, Council approved a newly created Services and Service Level Inventory that documents the City's key services and associated service levels currently in place across the organization in order to identify gaps where service levels have not been established. Administration will continue to review, evaluate, improve, and enhance services and service levels to ensure community needs are met. As a result, the Services and Service Levels Inventory will be reviewed and updated as necessary based on changes made as a result of community input and Council direction.

This section highlights services the City provided in 2016.

CUSTOMER SERVICE

FRONT COUNTER SERVICE

City staff provide front counter services to address needs and inquiries including:

- tax and assessment issues;
- utility account management;
- cultural program information and registration;
- planning and development questions;
- engineering services (including drainage, road/traffic, and infrastructure-related issues);
- business licenses and permits/licenses for use of City-owned properties (including the Rodeo Grounds and the Botanic Park).

Staff are available from 8 a.m. to 5 p.m. Monday through Friday via in-person visit, phone call or email. The interactive kiosk at St. Albert Place is available after hours.

Fees and fines including dog license fees and parking tickets are handled at the Municipal Enforcement Services office.

The City provides food and beverage service at six of its recreation facilities, and City staff assist visitors with program registration and other needs at Grosvenor Outdoor Pool, Fountain Park Recreation Centre and Servus Place.

SOCIAL SERVICES

COMMUNITY INVOLVEMENT

St. Albert highly values the work of groups and individuals who are active in promoting the community's well-being and development in areas including arts and culture and environmental protection. The City maintains contact with active community groups, creates opportunities for residents to volunteer on community issues and service delivery and works with groups to facilitate and support their activities.

The City also places a high priority on soliciting public input on actions that shape the City's future and gauging public perception of City issues and services.

COMMUNITY SAFETY

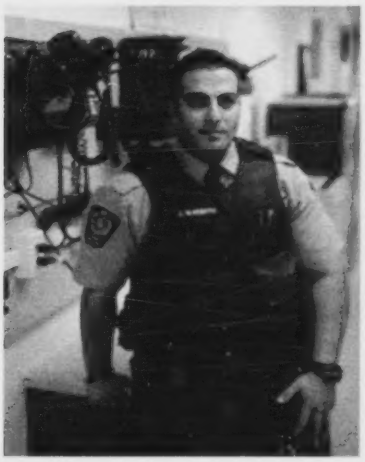
The City's community safety services provide emergency response along with police and fire response, investigation and enforcement activities.

All 911 calls are answered by City of St. Albert staff. For health emergencies, St. Albert Fire Services dispatches ambulances under an Alberta Health Services contract.

Fire Services respond to all local fire and rescue emergencies including water/ice rescues. They also play a critical role, along with government and other public service organizations, in preparing for and responding to fire emergencies on a regional scale.

Fire prevention through public education and inspections to ensure compliance with fire codes are also key aspect of Fire Services' mission.

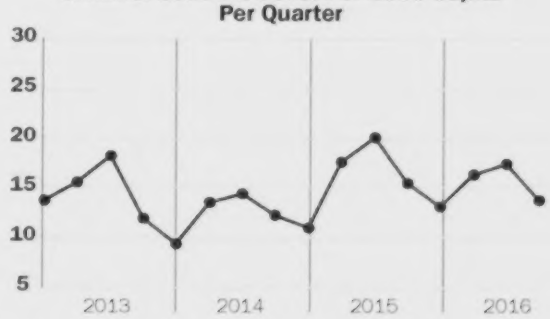
Policing is provided through a cooperative arrangement between the City Municipal Enforcement Service (MES) and the RCMP. The MES handles specific local issues such as animal control, traffic and parking enforcement, and community standards and enforces a number of provincial laws. MES also conducts education and crime prevention and reduction activities and supports the RCMP in provision of their services as appropriate.



From 2010 to 2014 there was a downward trend in the rate of criminal code incidents, with a low of 49.57 incidents per 1,000 residents. In 2015, the number of incidents increased to 64.03, possibly due to the economic downturn, but the number fell again in 2016 to 60.58. The RCMP Annual Performance Plan has targeted reducing property crime and the reduction in crime may also correspond to the recent economic upswing.

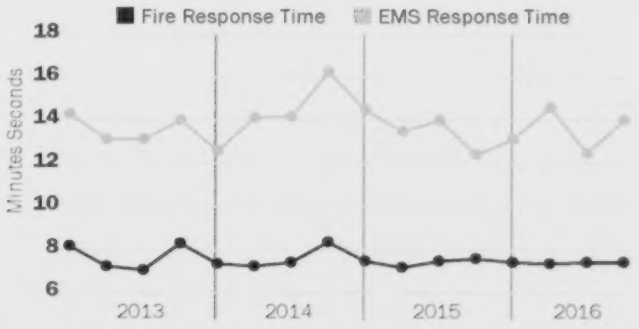
Since 2010, the fire response time has met the standard of responding to calls within nine minutes for 90% of all calls. The annual 90th percentile fire response time for 2016 was eight minutes and 46 seconds, up from 2015's seven minutes 42 seconds.

Criminal Code Incidents Per 1000 Capita Per Quarter



Annual Total	59.45	49.57	64.03	60.58

Emergency Response Time



Year-End 90th Percentile	8:32	8:52	8:17	8:46
Year-End 90th Percentile	8:17	7:45	7:42	7:43

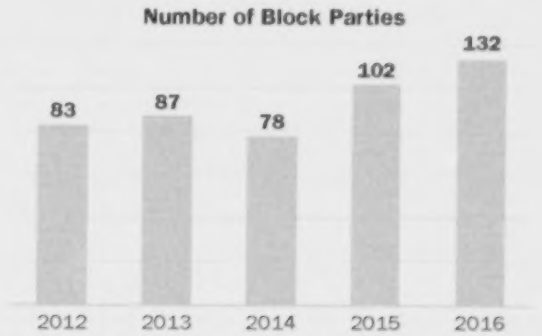
COMMUNITY SOCIAL SUPPORT AND DEVELOPMENT

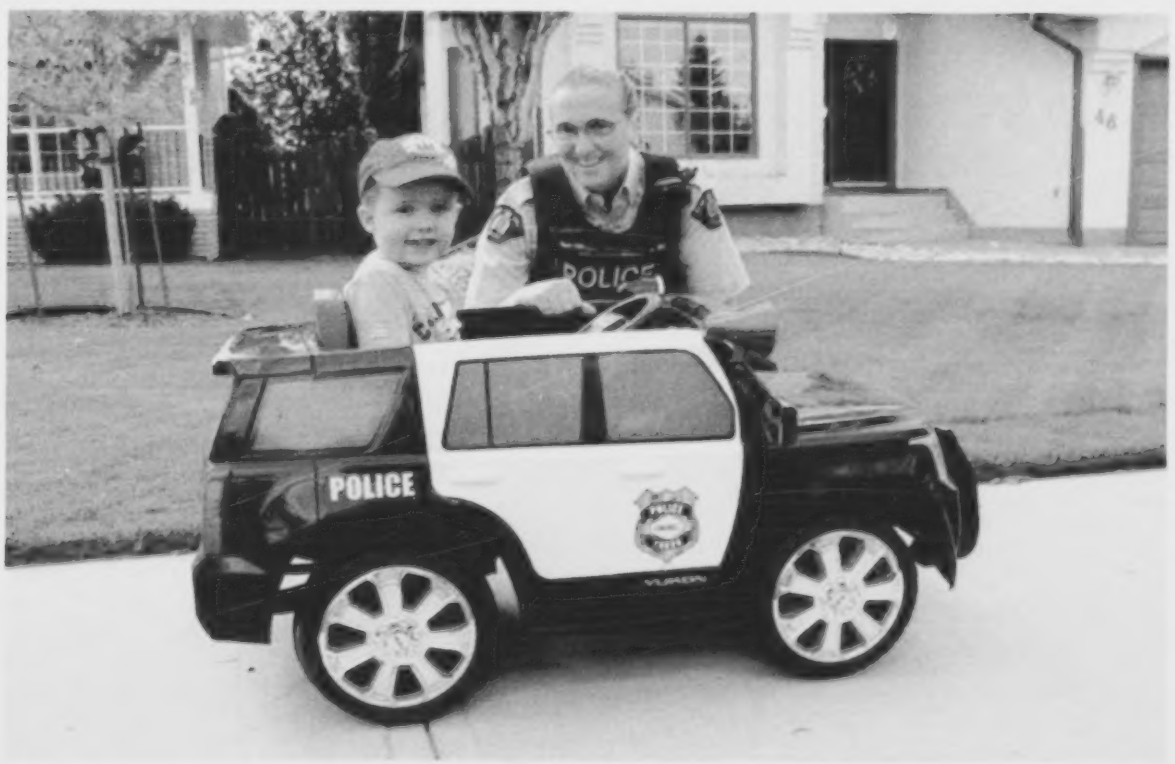
To promote a strong community with a strong social safety net, the City provides a range of services to ensure connection and understanding between its diverse citizens.

Services are proactive to reach out to community members that may not have the capacity to advocate for themselves and to bring community members together to address issues and solve problems. The City seeks out and creates opportunities to educate and promote awareness of social issues that may affect individuals or groups.

Focusing on children and youth, the City provides counseling to school-aged children and their families, opportunities for youth to build interpersonal and leadership skills, and venues for connecting with other youth and with mentors.

Since 2010, Family and Community Support Services has helped foster a sense of community and connectedness through neighbourhood block parties. The number of block parties has been steadily increasing, from 61 in 2010 to 102 in 2015 and in 2016 there was a record 132 block parties. In 2015 and 2016, almost 95% of people who attended block parties reported an improved feeling of community connectedness.





NATURAL ENVIRONMENT SERVICES

ENVIRONMENTAL SUSTAINABILITY PROGRAM

A beautiful and functioning natural environment is a keystone of quality of life in St. Albert. The City strives to be a good steward of the earth and its resources and to provide its citizens with many opportunities to live sustainably.

Waste collection and disposal services ensure that possible waste is recycled into resources such as compost and that hazardous wastes are properly disposed of.

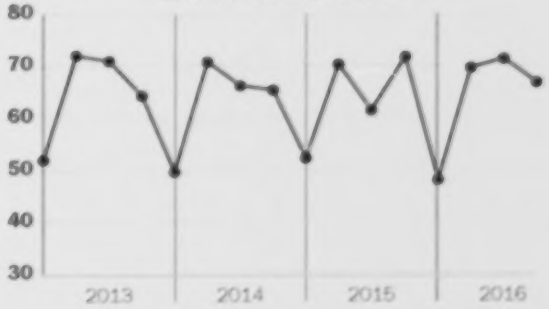
The City's total landfill waste diversion rate for 2016 was 67%, an increase from 2014's 63.5 and above the City's target rate of 65% by 2020. Despite the increase, St. Albert is still a leader in Canada for residential landfill diversion.

Trees and greenscapes in the City's urban, park and natural area settings are monitored and maintained to optimize their aesthetic, recreational and environmental values. The City provides services such as tree care, weed and pest control, and general maintenance care such as mowing and pruning to maintain St. Albert's natural environment.

The City collects wastewater, operates the municipal water supply system to provide safe drinking water, manages neighborhood drainage problems, and the systems that handle stormwater runoff that ultimately flows into the Sturgeon River.

The downward trend in the City's water consumption since 2010 plateaued in 2014 and 2015 at 251 litres per person per day but continued the path to reduction in 2016 with 247 litres. The City's overall target for composite water consumption per capita per day is 200 litres by 2020.

Landfill Diversion Rate



	2013	2014	2015	2016
Annual Total	66.3	64.8	-	-

Annual Composite Water Consumption Per Capita Per Day

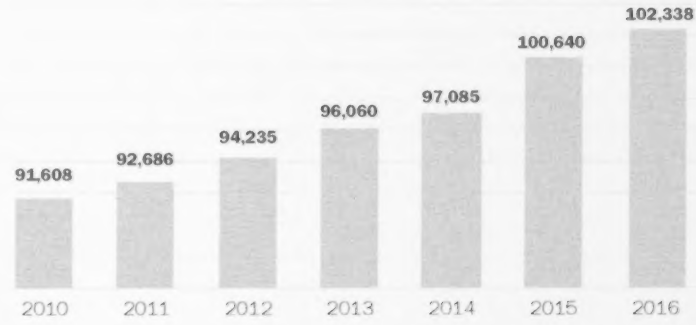
TRANSIT PROGRAM

The City offers local and commuter conventional transit, specialized transit (Handibus) for residents with reduced mobility, and charter bus services. For St. Albert residents, public transit services provide safe, reliable, equitable, convenient and cost-effective travel within the City and to and from Edmonton.

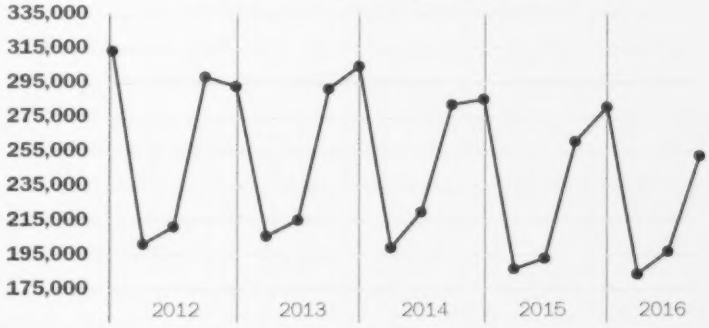
In 2015, the City of St. Albert provided 100,640 hours of public transit, the highest number in the past seven years. Even more hours (102,338) were provided in 2016. These additional hours were required to meet needs caused by traffic problems from road construction, and increased traffic from the Fort McMurray wildfire evacuations.

The total number of riders per year from 2012 to 2015 was 1,218,891; 1,196,676; 1,196,495; and 1,101,807 riders respectively. Paralleling the increase in total transit service hours, 2016 ridership remained relatively static at 1,144,536. While commuter ridership decreased in 2016, the overall ridership numbers indicate an increase in local ridership.

Total Service Hours Per Year



Transit Commuter Ridership per Quarter



Annual Total	1,218,891	1,196,676	1,196,495	1,101,807	1,144,536

COMMUNITY ENVIRONMENTAL PROGRAMS AND EVENTS

The City sponsors environmental education and awareness events and programs such as the Clean and Green RiverFest and Earth Hour to help meet the goals and targets of the Environmental Master Plan and provide opportunities for the community to get involved in preserving the environment. Incentives to conserve resources such as providing water-saving toilet rebates and rain barrels are also offered.

BUILT ENVIRONMENT SERVICES

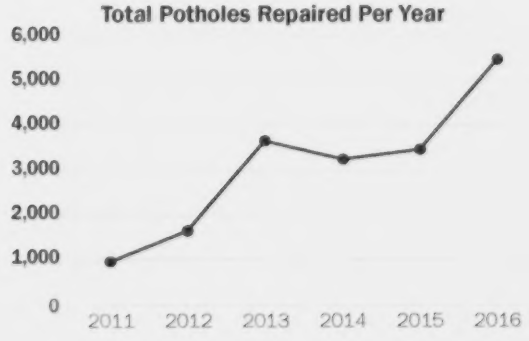
TRANSPORTATION AND INFRASTRUCTURE

Roadway Repair and Maintenance

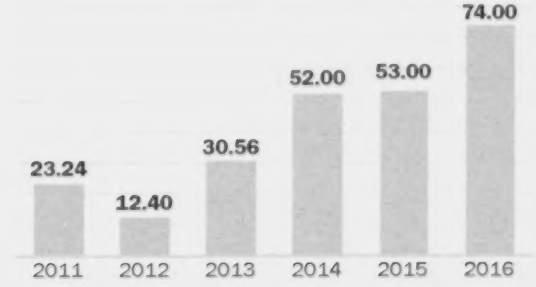
These services focus on ensuring that roadway infrastructure is maintained cost-effectively and in compliance with safety and aesthetic standards. Key programs the City also provides are traffic management, roadway surface repair and maintenance, street cleaning, traffic and street signs, and collection and analyzing of traffic data to proactively address potential safety and efficiency issues.

In 2016, the City repaired 5,475 potholes, over two thousand more than in 2015 when 3,450 potholes were filled. In addition, in 2016 74 kilometers of roads were spray-patched compared to 53 in 2015. Warmer weather in 2016 allowed crews to work earlier and later in the season.

Total Potholes Repaired Per Year



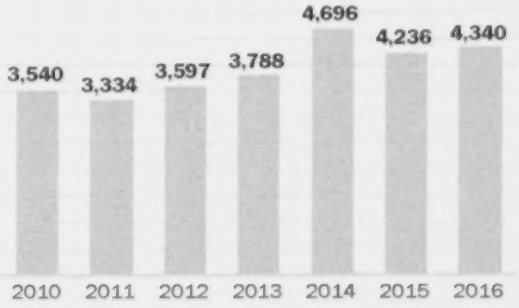
Kilometres of Road Spray-Patched Per Year



The City oversees land development for private and public purposes for the community. Key services include working with developers to process construction applications and permits to ensure compliance with planning goals and regulations, and administering the Offsite Levy Program to provide for infrastructure to serve and mitigate the impacts of new development.

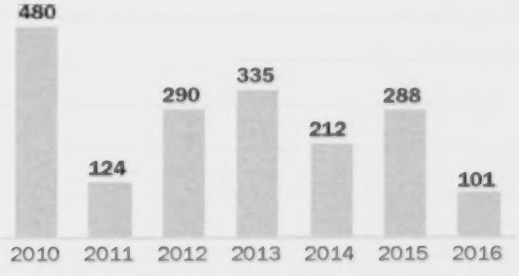
From 2008 to 2013, the City issued significantly fewer than 4,000 permits each year. In 2014, the number rose to 4,696. The numbers for 2015 (4,236) and 2016 (4,340) are lower but still well above pre-2013 levels.

Total Permits Per Year



In 2016, there were 101 subdivided and registered parcels for both residential and non-residential buildings, down sharply from 2015's count of 288 and 2014's of 212. The counts going back to 2010 were all significantly higher than the 2016 count, with a peak of 480 in 2010.

All Lots Registered at Land Titles Per Year



CULTURE SERVICES

CULTURE AND HERITAGE

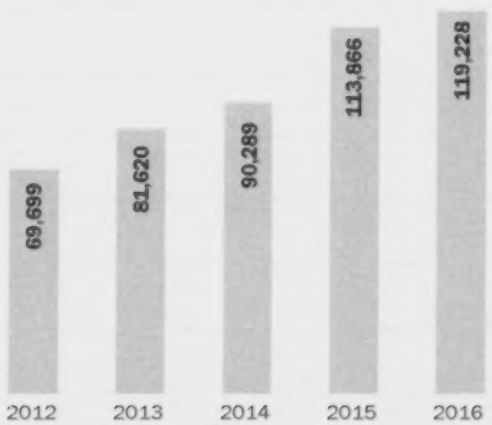
The City highly values the role and contribution of artists living and working in St. Albert and holds events such as the Mayor's Celebration of the Arts and venues for community members to interact with artists and art. To create opportunities for people to participate, the City offers classes in performing arts; such as drama, musical theatre, and dance; and visual arts including painting, sculpture and photography.

Likewise, St. Albert also cherishes its heritage and the diversity of those who built its history and provides programming that identifies and celebrates individuals and groups and land-based heritage and archeological resources.

St. Albert operates cultural venues, including the Arden Theatre, the Musée Héritage Museum, St. Albert Place Visual Arts Studios, Heritage Park, the Little White School House and Juneau House.

Arden Theatre attendance has been steadily and significantly increasing since 2013 when it first topped 80,000. After rising to 90,289 in 2014 it surged to 113,866 in 2015 due to increased rentals and programming. In 2016, attendance rose again to 119,228, due in part to increased rental activity but most significantly due to more theatregoers attending programmed events, specifically the Children's Festival and St. Albert Children's Theatre shows.

Arden Theatre Attendance Per Year

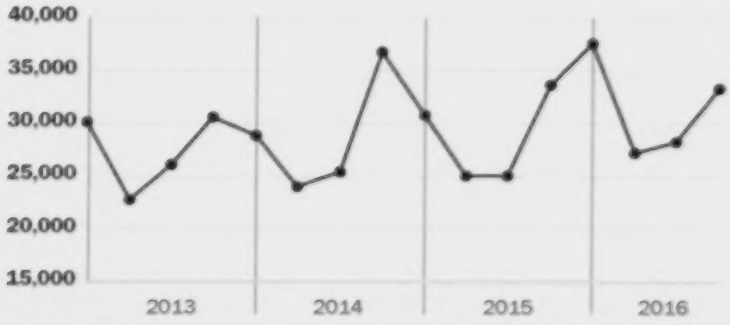


RECREATION AND SPORT

The City, in conjunction with community groups, provides programming at indoor and outdoor aquatic facilities including Grosvenor Outdoor Pool, Fountain Park Recreation Centre, Woodlands Water Play Park, and a host of indoor and outdoor sports fields, courts, and tracks including ball diamonds, gyms, ice surfaces, tennis and beach volleyball courts, skateboard/ scooter and wheelchair-based activity facilities, and running/ walking tracks.

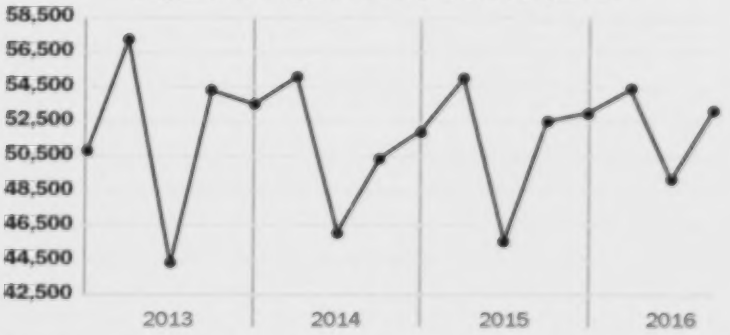
In 2016, Culture, Fitness and Aquatics, and Recreation and Parks programs drew 126,815 drop-in participants, a healthy increase from 2015's 114,301 participants. Recreation has seen a strong increase in drop-in shinny, pickleball and Youth Night, and senior fitness drop-in classes have been added.

Drop-In Program Participation Per Quarter



Annual Total	109,079	115,755	114,301	126,185

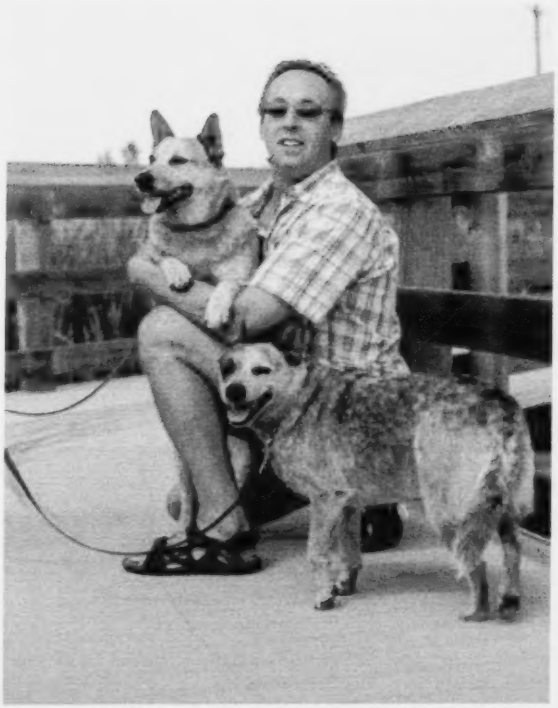
Registered Program Participation Per Quarter



Annual Total	206,668	205,124	205,228	209,673

The number of registered participants in culture, fitness and aquatics, recreation and parks programs in 2016 (209,673) is up from 2015 (205,228). For quarter two, the aquatics program saw its highest participation rate of the last four years at 42,493 swimmers, and recreation saw a four-year high in quarter three with 6,685 participants. The combined annual number of registered and drop-in participants has grown every year since 2010, from 272,409 to 336,128.

St. Albert operates and maintains neighborhood and community amenities to give residents varied opportunities to spend time outdoors passively and actively. Many parks and open spaces are served by trail connections for pedestrians and cyclists to enjoy landscapes like the Sturgeon River shoreline and Big Lake. There are also dog parks so residents can enjoy outdoor activities with their pets or dogs.



COMMUNITY EVENTS

The City hosts arts, cultural and recreation/park events throughout the year including the Amplify Youth Festival, Servus Place Halloween Haunt and Canada Day.

The community's use, participation and rental of City facilities including Servus Place (fieldhouses, gymnasiums, arenas), playfields/playgrounds, outdoor fields, Akinsdale/Kinex arenas, Fountain Park and Grosvenor pools, Arden Theatre, Progress Hall and Visual Art Studios, continues to grow.

Rental and programmed hours at City facilities reached 75,340, an increase of over 2,000 hours from 2015.

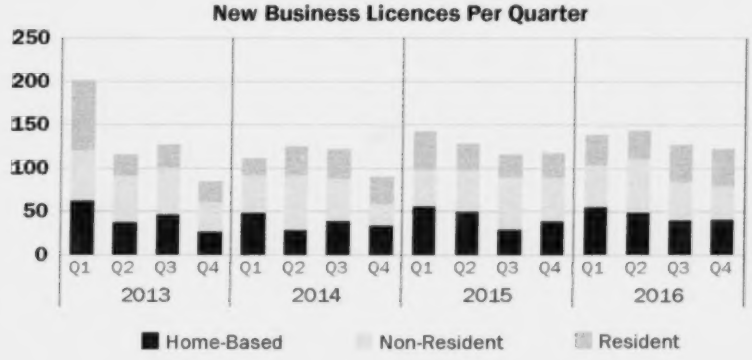
ECONOMIC SERVICES

COMMUNITY GROWTH AND ECONOMIC DEVELOPMENT

The health of local business is vital to making sure St. Albert remains a vibrant community. The City provides support and business development services to entrepreneurs to turn ideas into viable businesses, help existing enterprises grow, and attract new businesses, tourists, customers, and investors.

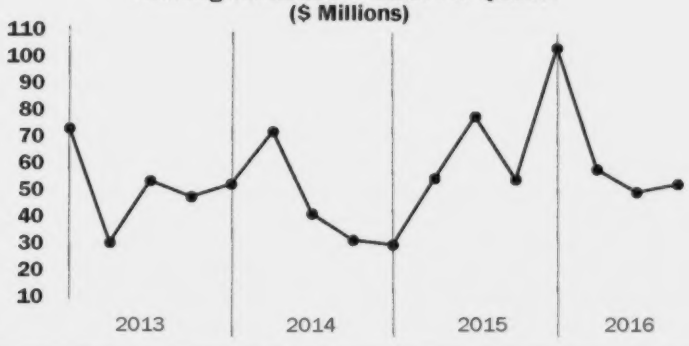
St. Albert issues three types of business licenses: home-based, resident (within city limits) and non-resident (outside city limits). In total, the City issued 530 licenses in 2016, exceeding 2015's count of 505 and 2014's count of 448. Factors contributing to 2016's increase include the growing health-based business sector in St. Albert as well as the continued development of the Erin Ridge North Commercial Center.

New Business Licences Per Quarter



Annual Total	529	448	505	530

Building Construction Value Per Quarter ($ Millions)



Annual Total	209.15	200.21	219.8	266.74

Building construction values in the City have progressively increased since 2010, spiking in quarter one 2013 and quarter two 2014. In quarter one 2016, values hit an all-time high of $104 million, significantly exceeding the previous high of $78.69 million in quarter three 2015. Building construction values are measured by the permits granted for residential, industrial and commercial construction, and institutional development and/or renovations.

Reflecting 2016's quarter one peak, total construction value in 2016 was $266.74 million, more than double 2011's value of $115.2 million.

GOVERNANCE AND CORPORATE MANAGEMENT

City Administration provides diverse services and expertise to ensure that St. Albert conducts all activities in alignment with the goals, plans and policies that Council has set in conjunction with residents. These services also ensure that services to community are provided and assets are managed cost-effectively and to standard, that the City's risks are managed, and that the City's growth is managed in harmony with the community's vision for the future.

LEADERSHIP AND SUPPORT SERVICES

These services support democratic decision-making for Council and the community, and include gathering and disseminating information for the City Council, City Administration, residents, and other stakeholders and ensuring that procedures and documents that underpin Council decisions comply with policies, standards and regulations. The City also manages municipal elections, in alignment with the Municipal Government Act.

Services also include collaborating with other governments and organizations at the regional, provincial, national and international levels to further City interests and facilitate good governance, and maintaining and responding to requests for public records.

BUSINESS PLANNING AND SPECIAL INITIATIVES

These services steward the Corporate Business Plan and provide leadership and professional support to Council and Administration to enable effective business management, including strategic, business and operational planning, performance measurement and reporting, continuous improvement and change/ transition management. These services also support development of City's Strategic Plan, Strategic Framework, Community Vision and Pillars of Sustainability.

FINANCIAL PLANNING AND MANAGEMENT

Administration provides accounting, financial planning, and treasury management through development of fiscal policy and financial models for utility rates, taxes, user fees, and other sources of revenue; and managing billing and collection of monthly utilities and miscellaneous accounts receivable.

Equitable and accurate assessments are conducted to distribute the property taxes appropriately within the community. Services include levying and collecting annual and supplementary property tax revenue for municipal, and education purposes.

LEGAL, RISK MANAGEMENT, INSURANCE AND PURCHASING SERVICES

City staff ensure that all municipal business operation take place in compliance with applicable regulations; identify and manage risks, procure insurance for City departments, and process claims against the City by third parties. Purchasing services include advising and assisting City departments with their purchasing requirements.

COMMUNICATIONS, ADVERTISING AND SPONSORSHIP

Staff advise on, plan and execute strategies to inform citizens and communicate the value of the City's programs, services and initiatives, and Council's goals and priorities. Specialists also manage the City's social media, web presence, communications, media relations, and publicity for City activities and events.

Coordination in the case of citywide emergencies is also conducted as part of communications services.

INNOVATION AND TECHNOLOGY

The role technology plays in the City's effective functioning is continually growing. To keep pace with advances and ensure the City's technology tools and assets are well-leveraged, staff manage the City's software suites and hardware, maintain network services for internal and external customers, GIS mapping and other data available, and operate the IT Service Desk.

HUMAN RESOURCES

Human Resources services, including providing leadership and advice for recruitment, classification and job analysis, organizational design, employee and labour relations, safety and workplace wellness, compensation and employee benefits and training and development, support city departments in delivering services.

ENVIRONMENTAL PROTECTION AND LIABILITY MANAGEMENT

These services are aimed at measuring and monitoring the quality of St. Albert's air, water, and other natural resources, ensuring that environmental protection and compliance is incorporated into City activities, stewarding the Environmental Master Plan, and responding to toxic spills and environmental liability issues.

DEVELOPMENT PLANNING, PROJECT AND CONTRACT MANAGEMENT

City staff project needs and plan for future community and City buildings, capital improvement projects, schools and affordable housing, process development and building permit applications, revise and enforce the City's land use bylaw, and conduct building inspections. They also plan and construct capital projects for new City facilities and community projects.

CITY ASSET MANAGEMENT

The City maintains and upgrades amenities and assets including transit facilities, parks and playgrounds, other recreational facilities, and City buildings and vehicles.

CITY OF ST. ALBERT STRATEGIC PLAN 2016 ACHIEVEMENTS

In 2016, the City Council acted to align the City of St. Albert Strategic Plan with the Community Vision and Pillars of Sustainability, establishing a single source of direction for the City, and an effective way to prioritize implementation actions.

The City of St. Albert Strategic Plan includes 3 strategies, 33 results, and 75 strategies.

- **Community Strategy**: This strategy is based on making progress toward achieving the Community Vision and Pillars of Sustainability. Each sustainability pillar that was identified in pursuit of the community vision has specific results that the community expects to achieve. For each result, several strategies have been identified that describe how we are planning to achieve them. The five pillars of the Community Strategy are:
    - Social
    - Economic
    - Built Environment
    - Natural Environment
    - Culture
- **Governance Strategy**: This strategy recognizes that Council is committed to ensuring that the City of St. Albert is a responsive, accountable government that delivers value to the community.
- **Service Delivery Strategy**: This strategy recognizes that Council is committed to ensuring that the City of St. Albert is engaging residents to identify opportunities to improve delivery of services to the community.

The following section provides an overview of the progress made in 2016 toward achieving the strategies outlined in the City of St. Albert Strategic Plan.

COMMUNITY STRATEGY

This strategy is based on making progress toward achieving the Community Vision and Pillars of Sustainability.

SOCIAL

We are a friendly community and inclusive community of passionate equals, where everyone feels a sense of belonging. We believe that community starts with the person next door.

We live and share our small-town values by being a friendly, peaceful, supportive and safe community.

CITY'S EMERGENCY PLANS

In 2016, St. Albert completed a range of measures to enhance its emergency response plans and capabilities:

- a Quick Action Guide adapted from the St. Albert 72-Hour Emergency Planning Guide;
- an Incident Command (ICS 300) training and Risk Communication workshop;
- review of the Emergency Management Bylaw for needed updates and revision of the Municipal Emergency Plan;
- a partnership with NorQuest College to develop a community resilience training program;
- Letters of Understanding with the St. Albert Alliance Church, two school boards, and The Salvation Army for alternate Reception Centre locations.

HOMELESSNESS PREVENTION STRATEGY IN ST. ALBERT AND STURGEON COUNTY

Focus groups were convened in early 2016 to gather input from the community to shape a City/County homelessness prevention strategy. The City met with the Community Village, the St. Albert Food Bank, the Mustard Seed Community Support Centre, and local MLAs later in the year to chart the way forward to prevent homelessness.

PROTECTION OF PERSONS AND PROPERTY BYLAW REVIEW

The Protection of Persons and Property Bylaw outlines fines on public behaviour in the interest of public safety. Administration presented to Council the findings of a review of the City's Protection of Persons and Property Bylaw, which had not been recently updated. Council directed that a new bylaw be drafted for its consideration, which is anticipated for mid-2017.

SAFE JOURNEYS TO SCHOOL IMPLEMENTATION

The Safe Journeys to School project identifies and implements engineering, education and enforcement actions to make the journey to St. Albert's schools safer. In mid-2016, road signage, line-marking, school zone flasher, and pedestrian curb and ramp improvements were installed. Evaluation of school traffic data to indicate other potential improvements also began, as did a pilot project for rectangular rapid flashing beacon (RRFB) crossings. Refinements and adjustments to the constructed improvements, along with recommendations for placement of RRFBs, are planned for 2017.

We are inclusive; we embrace, respect and support people of all ages, cultures and backgrounds

COMMUNITY DIVERSITY AND INCLUSION INITIATIVES

With the support of grant funding, the City launched the "It Starts With Me" campaign, kicking off the campaign with a KAIROS Blanket Exercise to bring participants closer to the history of local aboriginal communities[1]. The City's focus on ending bullying was incorporated into Diversity and Inclusion Initiatives, including "It Starts With Me."

Throughout 2016, "It Starts With Me" "snapshot" exercises (focusing on specific groups that could experience exclusion) were conducted to raise awareness on race, culture, LGBTQ issues, mental health, being an ally, and disabilities.

In spring, over 400 people attended the Community Pride Picnic, and later in the year a video focusing on diversity and inclusion was completed and made available on the City's website.

DEVELOP CITY MANAGER DIRECTIVES RELATED TO HANDIBUS ELIGIBILITY

The City completed and approved policies on eligibility for Handibus services, which give mobility options to those unable to use other public transit due to physical or cognitive disabilities.

SITE OPTIONS FOR AFFORDABLE HOUSING FOR SENIORS

In the first half of the year, Council approved the 2016-2035 Corporate Land Strategy Action Plan, which sets out priorities for identifying and acquiring lands for seniors housing including the expansion of North Ridge Lodge.

ST. ALBERT AND STURGEON HOSPICE ASSOCIATION ADDS MORE BEDS

Supported by the City of St. Albert and other community partners, ten additional hospice beds and 12 additional long-term care beds were made available at the Foyer Lacombe Continuing Care facility.

ST. ALBERT SENIORS ASSOCIATION / RED WILLOW PLACE

In 2016, renovations completed on Red Willow Place, formerly referred to as the St. Albert Seniors Association building. The grand reopening was held in September and the St. Albert Seniors Association moved into the building. The building includes expanded multi-use space, the ability to host large banquets and staff offices.

[1] The KAIROS Blanket Exercise was developed in response to the 1996 Report of the Royal Commission on Aboriginal Peoples – which recommended education on Canadian-Indigenous history as one of the key steps to reconciliation, the Blanket Exercise covers over 500 years of history in a one and half hour participatory workshop.

We believe in the strength of our neighbourhoods, ensuring that there is a diverse range of housing and transportation options available to all.

OPEN FARE PAYMENT SYSTEM

The City of St. Albert is exploring opportunities to increase the use of technology on its buses to improve service to riders, as part of the Smart City Master Plan. Development of "Smart Fare" technology would allow transit riders to pay using credit cards, debit cards, smart phones or watches and other cards compatible with the system. The project also includes adding "Smart Bus" infrastructure for St. Albert and Strathcona County, which is needed to support Smart Fare. In winter 2016, the Province of Alberta approved funding for Smart Fare, including Smart Bus. St. Albert initiated discussions with City of Edmonton and Strathcona County, its regional project partners, and the City of Edmonton engaged a consultant to oversee the project. The regional partners and the managing consultant released a request for comment.

Throughout the rest of the year, the Request for Purchase was released and six responses were evaluated. The City anticipates selecting a contractor and negotiating the contract by mid-2017.

TRANSIT GOVERNANCE REVIEW

The Capital Region Board Transit Committee is currently exploring the opportunity for a regional transit commission. Both the City of St. Albert and the City of Edmonton are participating in the project.

In early 2016, both St. Albert and Edmonton approved an initial report and funding for a study and subsequent report outlining the structure of a potential new operating entity and planned work on a cost-benefit analysis. A third report addressing unanswered questions followed, and in December a task force with representatives from both cities was formed.

We believe in creating the best for one another, valuing our community connections by supporting and engaging neighbourhoods, institutions and organizations that work to improve life in our community.

MENTAL HEALTH AWARENESS

St. Albert launched a city-wide Mental Health Awareness Campaign to raise awareness of mental health throughout the year. Between winter and fall, staff from the St. Albert Public Library, St. Albert Community Information and Volunteer Centre, and St. Albert Victim Services, along with staff from local schools, were trained in mental health first aid.

The Caelin Porter Mental Health Awareness Walk was held in May. In the fall, Dr. Lynn Miller presented at Red Willow Community Church on "Worries and Woes (Dealing with Anxiety Disorders in School-Age Children)." The presentation generated so much community interest that the City organized an additional panel discussion on dealing with anxiety in children.

POVERTY REDUCTION STRATEGY

As part of the Social Master Plan implementation, the City is developing a community-wide Poverty Reduction Strategy to define the barriers that exist in achieving financial sustainability within the community. Administration continued work with provincial and federal partners in developing the Poverty Reduction Strategy, and in the fall Administration began developing a matrix/table to track subsidies available to St. Albert residents to help residents understand what supports are available to them, should they require financial assistance.

We celebrate life-long learning, striving to build our knowledge to better teach and prepare our younger generations as the future stewards of our community.

THE COLLECTIVE

Based in the Perron District, The Collective is a resource designed to support young people through services, business, and collaboration. The facility opened its doors on May 10, 2016 and features a pop-up style space where young St. Albert entrepreneurs can start their own mini-retail businesses with assistance from successful businesspeople in the community.

ECONOMIC

We prosper and excel through a strong and diverse economy that is supported by forward-thinking commerce, outstanding local businesses and a dynamic downtown core.

We have a diverse and robust business community, which enables economic prosperity to support community building and provide valuable jobs to our residents.

We recognize our vigorous economy weaves together the fabric of our community and reinforces all of the pillars that sustain our city.

DIGITAL DISPLAY UPDATE

The City considered proposals from the business community to use digital displays that incorporate still images (digital displays with words only are already permitted). In August 2016, Council directed Administration to gather input from the public on the issue. Further Council decision is anticipated in early 2017.

LAND USE BYLAW REVIEW OF RESIDENTIAL DISTRICTS

The Land Use Bylaw for residential districts provides regulations on housing styles that can be built in St. Albert. The City sought feedback in late 2015 and throughout 2016 to inform changes to the Land Use Bylaw for residential districts. In fall 2016, Land Use Bylaw Residential District Amendment Strategies were presented for Council's consideration. Input and amendments were then incorporated before Council reconsidered the changes. Council is expected to consider further changes by mid-2017.

2016 CENSUS

Every two years, the City conducts a municipal census. Updated census information is used across Administration to apply for grant funding. Some city services are partly funded by other levels of government based on population. The City's municipal census data was collected and analyzed during quarter two of 2016 and a final report issued in quarter three of 2016. The next municipal census is slated to take place in 2018.

We have a thriving downtown, including the historic Perron District that is the heart of our community, which we enjoy as a place that showcases our identity through businesses, culture, art and natural surroundings.

DOWNTOWN AREA REDEVELOPMENT PLAN IMPLEMENTATION PROGRESS

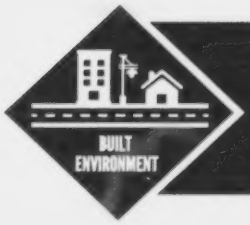
The Downtown Area Redevelopment Plan (DARP) was approved by Council on August 16, 2010. The City continues to undertake various initiatives and projects to implement the DARP. The following projects saw progress in 2016:

- **Downtown District Update in Land Use Bylaw:** Update of the Downtown District within the Land Use Bylaw remained a priority throughout 2016. Work was started on different build-out scenarios which will provide direction and context for updates required to the Land Use Bylaw. This work is anticipated to continue into 2017.
- **Downtown Parking:** The City completed a downtown parking study in June 2016. This study looked at the usage rates of public parking stalls along Perron, St. Thomas, and St. Michael Streets, as well as the public parking lots of St. Anne Street and Taché Street. This information was presented to Council in quarter three 2016. This study will inform the future of the Downtown Parking Strategy, which will support the future parking needs based upon future development. The Downtown Parking Strategy is on hold until the downtown servicing assessment is complete.
- **St. Anne Street Realignment:** St. Anne Promenade was officially opened on August 31, 2016. This roadway and multi-use walkway is envisioned to be a major enhancement to economic opportunities downtown. The realignment connects St. Anne Street to Taché Street, opens new parcels for development, and is a hallmark entrance to the Perron District and downtown.

SMART CITY MASTER PLAN DEVELOPMENT AND ALBERTA SMART CITY ALLIANCE

The Smart City Master Plan sets out how the community can grow as a Smart City – a place that fosters innovation and collaboration, applies new technologies and data, generates municipal efficiencies, improves service delivery and supports economic growth. The Smart City Master Plan Steering Committee, made up of residents, council members, and city administration, finalized stakeholder reviews of the proposed Master Plan which was then finalized and presented to Council. After considering the results of a public review, Council approved the plan in the fall.

Early in the year, the City supported the Alberta Smart City Alliance in delivering the 2016 Alberta Smart City Symposium in Banff. The Symposium attracted over 180 attendees from Canadian governments, academic organizations and private sector organizations. It was hailed as a great success in supporting the growth of Smart City markets and applications across Alberta.



BUILT ENVIRONMENT

We build our community towards the future to sustain balanced development, with a reverent eye to the past, honouring our unique settlement history and distinct identity.

We believe community is about people and we design our neighbourhoods to make it easy for people to connect to one another through parks, trails, public transportation and community spaces.

CITY PARKS SIGNAGE REFURBISHMENT PLAN

Refined parks signage designs and standards, and corresponding signage manufacturing and installation specifications, were approved in 2016. New signs will begin to be installed in 2017 with full transition of park signage occurring over several years.

TRANSIT SERVICE IN GROWTH AREAS

In an effort to continuously improve transit service to residents, the City performed schedule adherence monitoring to determine priorities for growth service additions. The City also held consultations with the newly formed Transit Advisory Committee. Improvement of transit service levels to new growth areas and neighbourhoods will coincide with the local route restructure plan currently in development. Changes to local routes are planned in quarter one of 2017, in alignment with the Transit Services Policy.

PARK AND RIDE TRANSIT CENTRE LAND AGREEMENT

Throughout 2016, St. Albert coordinated with the City of Edmonton and Province of Alberta to pursue a land purchase for a Park and Ride location. Late in the year, a land agreement with Edmonton neared completion. The agreement is expected to go to Edmonton City Council for approval in 2017.

SIGNAGE REVIEW

St. Albert last performed a comprehensive review of its signage regulations, which are part of the Land Use Bylaw, in 2005, and many changes influencing signage have taken place since then. In 2016, the City identified the need for a current review of signage regulations and included opportunity for public input in conjunction with efforts related to digital signage proposals. Council action related to signage regulations is anticipated for 2017.

TRANSPORTATION MASTER PLAN

The Transportation Master Plan is a strategic document that guides how the City addresses and plans its current and future transportation needs for the next 27 years. In 2016, Council approved the plan with an updated Transportation System Bylaw and implementation plan to follow.

We plan and manage the growth of our city so future generations can inherit the same strong, vibrant community we've enjoyed

NORTH INTERCEPTOR SANITARY TRUNK LINE PHASE 3

The Phase 3 North Interceptor Trunk Line, more commonly referred to as Project 9, is a sanitary sewer line that is required to support continued growth within St. Albert. It will run from St. Vital Avenue to the Alberta Capital Region Wastewater Commission's (ACRWC) pump station on Sturgeon Road. The current sanitary sewer line is near capacity and wouldn't be able to handle the additional growth areas.

On June 7, 2016, City Council approved a borrowing bylaw to fund Project 9, which was estimated at $40 million. This allows the City to borrow up to $30 million for up to 20 years, with the remaining $10 million coming from the City's Offsite Levy Recovery Fund. With the successful bid coming in lower than expected, Project 9's anticipated construction costs are projected to be approximately $30 million.

In 2016, a detailed project design, with alignment along Sturgeon Road on the South side of the river, was underway and an open house was held to inform the community about the project. Implementation plans and construction will continue into 2017.

We build our city to reflect the natural beauty we cherish, maintaining distinct landscaping and architectural standards that cultivate our city's identity.

HEALING GARDEN

The City's Healing Garden is being created in recognition of the survivors of Indian Residential Schools in St. Albert. It is meant to be a therapeutic place of reconciliation that will bring awareness, education and cultural teachings to the community.

In the first half of the year, a community open house on the project was held. With grant funding received and the City's budget allocation, all funding was secured and construction is planned for 2017.

MILLENNIUM PARK PHASE 1

Millennium Park is located in the Perron District, along the St. Anne Promenade and near the Sturgeon River. Millennium Park will play a critical placemaking role in downtown by establishing a multi-use, programmed public space linking the existing Lions Park, St. Albert Place, Red Willow Park, and the rest of the community.

In 2016, the City conducted extensive public participation activities to shape a vision for Millennium Park. The approach used was "Creative Placemaking" - working with the community to create lively public spaces that infuse neighborhoods with a new sense of vibrancy. Workshops to develop a vision, principles, and proposed activities for the park were held in September and October. A final design and cost estimate for Millennium Park are planned to be completed in 2017.

RECREATION AMENITIES IMPROVEMENTS

Playground structures were refurbished at Dorchester and Gloucester Fields in fall 2016. The Gloucester work was completed and additional work is planned for Dorchester in 2017. Fencing and bench relocation to enhance safety were implemented at 11 of the City's baseball diamonds at nine City parks.

The City also began construction on an amenities building in the Riel Recreation area, adjacent to the artificial turf. This building will provide changing rooms, officials rooms, a multi-purpose room, and storage areas.

URBAN VILLAGE GUIDELINES

Urban Villages are self-contained communities with a mix of complementary land uses and activities with the needs of daily life within a 400-metre walking distance. In the second half of 2016, the City reviewed draft updates to the City's Urban Village Design Guidelines, which provide details on development requirements for urban villages in St. Albert. Approved updates will be incorporated into the Community Design Principles in 2017. Community Design Principles are used across the City to inform land use planning in areas under development.

WHISTLE CESSATION

Council approved the Whistle Cessation Bylaw to regulate train whistles inside city limits. The bylaw will come into effect when all required safety improvements are completed to the satisfaction of Canadian National Railway and Transport Canada, and after Transport Canada approves elimination of train whistles at specific crossings. In quarter four, the City applied to Transport Canada's Rail Safety Improvement Program for grant funding to implement safety improvements.

NATURAL ENVIRONMENT

We protect, embrace and treasure our deeply-rooted connections with the natural environment through championing environmental action.

We believe in working together with our regional partners to promote our understanding and to continually improve our care and management of the Sturgeon River watershed.

STURGEON RIVER WATERSHED ALLIANCE

The Technical Committee of the Sturgeon River Watershed Alliance, a regional government task force to coordinate regulations and actions affecting the Sturgeon River Watershed, met monthly during 2016 to share and develop knowledge on the Watershed's water quantity, quality, and natural areas. The Steering Committee of the Alliance, including St. Albert Council members, met during quarter one for updates on the Provincial Land Use Framework and Capital Region Growth Plan. Both of these documents had updates or progress reports given in 2016 and have impacts on the Sturgeon River Watershed.

In partnership with the North Saskatchewan Watershed Alliance, the Alliance was awarded a $300,000 Alberta Community Partnerships Grant from Alberta Municipal Affairs. The grant will fund four major technical studies on the Sturgeon River that will support the development of a watershed management plan, to guide actions taken toward protecting and preserving the watershed. Studies will begin in 2017 and are expected to be completed by 2020.

We strongly believe that maintaining and promoting our flourishing, expansive tree canopy for future generations is a shared duty.

NATURAL AREAS ASSESSMENT PLAN

The Natural Areas Assessment project provides foundational information for the City's approach to natural area conservation and management. In fall, Council approved using the St. Albert Natural Areas Assessment 2015 Update Report and the St. Albert Natural Area Conservation and Management Plan for operations and planning.

RAY GIBBON DRIVE ENVIRONMENTAL APPROVAL MONITORING – PHASE 3

Annual monitoring of Ray Gibbon Drive constructed wetlands to ensure they are providing open water and marsh habitats was completed in July and September. Parameters monitored include water levels, vegetation establishment, and the presence of indicator species including waterfowl, songbirds and amphibians.

SEDIMENTATION AND EROSION CONTROL PROJECT 2010-2021

To reduce the accumulation of sediments in the Sturgeon River, the City adopted a Sedimentation and Erosion Control Plan to guide its efforts. The plan includes projects to be included within the 10-year Capital Plan that will support the protection and preservation of the Sturgeon River. The 10-year Capital Plan identifies eight high priority outfall locations for retrofits to control sediment entering the Sturgeon River. Two outfalls have been completed since 2010.

Late in 2016, work began on a new grit interceptor implemented as part of the major stormwater rehabilitation project along Perron Street. Work is expected to be completed by mid-2017.

We are an environmentally caring community, mindful of the nature that surrounds us, that puts the Earth first, which is reflected in our green living lifestyle and conservation of natural resources.

AIR QUALITY MONITORING STATION

The Air Quality Monitoring Station, which will provide long-term information on the City's air quality, was placed in service in April 2016. Its opening celebration was held on June 8, 2016, Clean Air Day, and featured information booths from air quality and health protection organizations. The City of St. Albert will work with Alberta Environment and Parks to monitor air quality and develop targets for key air quality parameters as proposed in the City's Environmental Master Plan.

FIXED NETWORK AUTOMATED WATER METER INFRASTRUCTURE

In 2016, the City made progress on a project to implement electronic water meters to allow online access to water consumption data. This project has many benefits including improving the ability to detect leakages in a timely manner and supporting consumers in monitoring/ reducing water consumption. Tender for the project is anticipated for 2017.

GREEN ENERGY GENERATION

As part of the Energy and Water Conservation Audit of major City facilities the City evaluated the potential for facility retrofits to include their own energy-generating technologies such as solar power, thereby reducing greenhouse gas emissions, energy costs, and the City's possible future liability from a provincial carbon tax.

For example, the cost of outfitting a medium-sized facility such as Dez Liggett Transit Facility with solar photovoltaics would be approximately $500,000 (less a potential $125,000 grant from the Municipal Climate Change Action Centre) and would reduce: 1) electricity usage at the facility by 17%; 2) reduce greenhouse gas emissions by 150 tonnes per year; and 3) reduce carbon tax liability by $4,500 per year.

Up to mid-2016, the City reviewed possibilities for green energy retrofits in relation to grant funding that may be available to offset costs. A business case was submitted for this project in the 2017-2019 budget and was approved. The project will be tendered and installed in 2017.

ORGANIC WASTE COLLECTION AT CITY FACILITIES

In 2016, City Administration evaluated options for collecting organic waste at City facilities as part of preparing for a new contract for general City facility waste collection. The collection method is to be determined on a facility-by-facility basis.

SUPERVISORY CONTROL AND DATA ACQUISITION (SCADA) SYSTEM UPGRADES

The SCADA system is used by the City to monitor and control its water, wastewater and stormwater utility systems. Throughout 2016, the City worked with a consultant to better understand system needs and identify the requirements for upgrades to the current SCADA system going forward. The consulting contract deliverables included a current state assessment, options and cost analysis, and a SCADA Master Plan identifying recommendations to upgrade the existing SCADA systems.

Through a series of three Technical Memorandums, a SCADA Master Plan of the City's water, wastewater, and stormwater was prepared and presented to Administration. The purpose of this document is to serve as a road map to the development of a modernized control system with standardized components reporting over a high-speed communications network that is both reliable and expandable. Implementation of system upgrades as recommended in the Master Plan will commence in 2017 through approved capital budget funding.

CULTURE

We are a proud of our storied history that has fed and nutured our festive and culturally-rich community.

We preserve and treasure our past, mindful of the roots from which our community has grown and will continue to bloom.

FOUNDERS' WALK PHASE 2 AND PHASE 3

Founders' Walk aims to enrich residents and visitors by demonstrating the City's varied history. Phase Two of the project, which expands the walk from the top of Mission Hill along St. Vital Avenue to the Grain Elevators on Meadowview Drive, officially opened on September 30, 2016.

The final phase of Founders' Walk will continue the trail from the Grain Elevators along the Sturgeon River to the Perron Street Bridge. Construction is planned for 2018.

ST. ALBERT HERITAGE SITES

The following took place in 2016 towards implementing the City's Heritage Sites Functional Plan, which provides a long-term vision for its historic properties:

- Substantial exterior restoration work on the Hogan and Cunningham Houses was completed in quarters two and three, as was foundation and basement construction for the Chevigny House and Brosseau Granary in their new locations. Final exterior and interior work is slated for completion in 2017.
- The restoration of Juneau House was completed and the grand opening celebration held on September 30, 2016.
- Council approved funding to review phasing of the Heritage Sites Functional Plan to ensure a logical and efficient progression and implementation of the rest of the Heritage Sites project. Review will include planning and phasing for the French-Canadian Farm.

We are known for our progressive architecture, art and community design, which expresses our distinct identity and strong sense of place and home.

COMMUNITY STORYTELLING PROJECT

This project will document, share and preserve the history of St. Albert through personal stories to inform, educate and delight residents and visitors. The stories will be presented as storyboards installed at specific sites of interest around the City. Stories were collected from community members and were researched and verified. Storyboard content and design will be developed in 2017, and the City anticipates installing the storyboards in 2018.

We live complete, full and active lives that are supported by our exceptional recreation amenities, extensive parks and winding, world-class trails.

LOIS HOLE PROVINCIAL PARK COORDINATION WITH ALBERTA TOURISM

St. Albert is the only urban municipality in the Capital Region to have a provincial park within its boundaries, the Lois Hole Provincial Park. In early 2016, the Province of Alberta completed a right-hand turn bay, installed signage, and added the park to wayfinding signage of Ray Gibbon Drive allowing for greater access into the park for residents and visitors alike.

NEW AND UPGRADED PARKS

In summer 2016, the City completed the following park and playground construction projects:

- Delage, Willoughby, Henderson and Erin Ridge playgrounds;
- Lafleur Park, featuring a new playground with rubber safety surfacing, outdoor fitness equipment, multi-use trails and landscaping, and Leveque Park, which has an outdoor fitness circuit with equipment, multi-use trails and; landscaping;
- Natalia Park, the last remaining park called for in the North Ridge Parks Master Plan. The park features an outdoor ice rink, playground and trail connections.

SERVUS PLACE EXPANSION AND IMPROVEMENTS

The Arena/Ice Surface Conceptual Plan was prepared and presented to Council. The project, which would add a sixth ice surface to Servus Place, will be developed into a detailed design before it's brought forward for Council's consideration as part of the 2018 Capital Plan.

Additionally, Council directed that a rescoped capital project plan for Servus Place be included in the 10-Year Capital Plan during 2017 budget deliberations. The plan was refocused to expand the fitness centre and the Landrex Water Play Centre to accommodate additional lane swimming and aquatics programs.

Improvements to Servus Place in 2016 include replacement of parking lot boulevard islands with rock, installation of new signs at the front and south entrances, and upgrades to landscaping of the west and south grounds was upgraded.

GOVERNANCE STRATEGY

Council is committed to ensuring that the City of St. Albert is a responsive, accountable government that delivers value to the community.

Maintain fiscal responsibility and transparency.

ELECTRICITY AND NATURAL GAS CONTRACT

The City tendered and awarded to ENMAX a new electricity contract covering the period January 2016 to December 31, 2019, guaranteeing an electricity price of $0.051 per kWh.

Develop strong working relationships with regional, provincial and federal partners.

ADVOCACY PLAN FOR RAY GIBBON DRIVE

Ray Gibbon Drive remained a top priority for Council and Administration throughout 2016. One of the main challenges that exists with this arterial road, is that improvements, such as widening the road to increase the number of lanes, falls under provincial jurisdiction. Because of the nature of this project, an advocacy plan was created to more clearly articulate the actions Administration will undertake to help promote the value of this road to the Province. An updated advocacy plan was approved by Council in 2016.

On June 15, 2016, the Minister of Transportation sent a letter to the City stating a traffic modelling study would be complete by mid-August. As of the end of 2016, the completed study is with the Minister for review. Further action on this priority is expected in 2017.

CAPITAL REGION BOARD GROWTH PLAN UPDATE

The Capital Region Board Growth Plan outlines regional growth requirements and expectations for development across the Capital Region. Member communities must adhere to guidelines, such as neighbourhood density targets, that are outlined within this document.

Throughout the update process, the City has been involved to ensure that its values and views are incorporated. The City's initial concerns and recommendations regarding the updated Growth Plan were submitted to the Growth Plan Task Force, which is made up of a subset of Capital Region Board members. In May and June 2016, meetings took place between Capital Region representatives, Administration and a number of Council members. Key issues for the City were recognizing Ray Gibbon Drive as a regional arterial on the long-term transportation map, recognizing St. Albert's Employment Lands on the employment areas map, and addressing the City's concerns regarding application and implementation of the density targets.

In October 2016, the Capital Region Board approved the plan, which incorporated all of the City's feedback that was previously submitted. The Plan requires final approval by the Provincial government. The Growth Plan was referred to the Provincial government for approval. It must be reviewed by all relevant Ministers and then approved by Cabinet. The Growth Plan's approval is anticipated by the fall of 2017.

SERVICING REQUIREMENTS FOR GROWTH

Throughout 2016, the City worked with Sturgeon County to examine priority growth areas within the shared boundary region. This work will inform management of servicing requirements to support long-term sustainable development of the region. The Sturgeon County and St. Albert City Councils met in the fall and provided feedback on the process.

Strive to become a leader in analytics to enhance decision making.

CAPITAL PROJECT MANAGEMENT POLICY UPDATE

In quarter two, Council approved the revised Capital Project Management Policy, which reflected changes to public sector accounting standards, best practices in project management processes, and changes to the City's organizational structure.

MEASURING TOWARD THE COMMUNITY VISION

In spring, Council approved amendments to seven Council policies to better align with the Community Vision and Pillars of Sustainability Policy, including revisions to Council Policy C-CG-06 (Strategic Framework) to incorporate a performance measurement model for the City. The model identifies four parameters the City should measure to ensure accountability and transparency. Administration will incorporate performance measurement into the Strategic Framework.

SERVICE DELIVERY STRATEGY

Council is committed to ensuring that the City of St. Albert is engaging residents to identify opportunities to improve delivery of services to the community.

Engage the community to incorporate resident input and improve decision making.

COMMUNITY SUSTAINABILITY FRAMEWORK

The draft Community Vision and Pillars of Sustainability Council Policy were presented to Council in quarter one 2016. During the remainder of 2016, Administration incorporated the Community Vision and Pillars of Sustainability into all major planning, budgeting and reporting elements. A coffee table book celebrating the Community Vision, including photos submitted by residents and comments collected through the public participation process, was completed and will be distributed to schools, community groups and other community members in 2017. In addition, a celebration is planned for early 2017 with the placement of a time capsule in St. Albert Place to be opened in 50 years.

CONTINUOUS IMPROVEMENT PROJECT 2016 – PUBLIC PARTICIPATION PROJECT PHASE 3

St. Albert is committed to continuously improving its practices to keep meeting the community's needs. One practice identified in the Continuous Improvement Review Program was Public Participation – specifically, the importance of ensuring St. Albert residents and other stakeholders are engaged in ways that meet their preferences and for Administration to develop effective ways for stakeholders to provide input and add value to planning and decision-making.

In spring 2016, Council formed a Community Engagement Committee with five residents and two Council members. The City and the committee worked through much of 2016 to solicit public input on current levels of engagement and preferences for the future. In December 2016, the committee presented to Council a draft Public Participation Policy, to embed the practice as Council direction, and Administration presented a draft Public Participation Management Plan, to guide the creation of this newly defined service and function. Further action to adopt the Policy is planned for the first half of 2017.

EMPLOYMENT LANDS AREA STRUCTURE PLAN

On the west-side of St. Albert, north of Big Lake, is 617 acres of land that has been designated for non-residential development, currently referred to as the Employment Lands. Before any development on these lands can occur, a formal Area Structure Plan (ASP) needs to be created and approved by Council and other levels of government. To help define the scope of the ASP, the City decided to develop an Employment Lands Framework before proceeding with a full-scale ASP.

In mid-year, the City engaged the public to shape the Employment Lands Framework. Landowners and developers participated in the process through surveys and online public participation opportunities accessed through the City's website and social media. Feedback from this process was used to create the Employment Lands Framework and a more detailed Employment Land Principles document, which were approved by Council in 2016. The Employment Land Principles will also be incorporated into the Community Design Principles, which summarize the design principles for the entire city. Further work the Employment Lands ASP has been delayed until 2018.

Create positive customer service experiences with the community.

SERVICE LEVELS BENCHMARKING PROJECT PHASE 1

Phase 1 of this continuous improvement effort focused on developing an inventory of services provided to residents and stakeholders, current service levels, and benchmarked service levels with those of comparable municipalities. Administration presented to Council a Services and Services Levels Inventory. Based on Council's input, Administration returned with a revised Inventory along with a new Program and Service Review Policy and amended Budget and Taxation Guiding Principles to align service levels with the City's business planning and budgeting processes.

TRANSIT BYLAW UPDATE

The Transit Bylaw is being updated for consistency with the City Code of Conduct. In 2016, the City reviewed the draft updates and anticipated that action on them would take place in 2017.

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

The City of St. Albert's 2016 Annual Report provides an opportunity for the City to communicate with residents and stakeholders regarding its recent financial performance, including significant financial practices, strategies and events.

The Annual Report includes the City's consolidated financial statements, prepared by management in accordance with the principles and standards established by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants (CICA). Management has made every effort to ensure the financial statements present a fair accounting of the City's consolidated operating and capital activities for the fiscal year ended December 31, 2016. Included entities are the City, its Utilities, the St. Albert Public Library, and the Arts and Heritage Foundation of St. Albert.

The City's auditor, Deloitte, has audited the financial statements and provided the accompanying Auditor's Report. The financial statements and auditor's report satisfy a legislative reporting requirement as set out by the Alberta Municipal Government Act.

This Financial Statement Discussion and Analysis (FSD&A) reports on how the financial resources entrusted to the City are being managed to provide municipal infrastructure, programs and services. The FSD&A explains the significant differences in the financial statements between the reported year and the previous year as well as between budgeted and actual results. The FSD&A also identifies trends, risks and anticipated events that could have financial implications on the operations of the City.

The FSD&A should be read in conjunction with the audited financial statements and accompanying notes, and responsibility for the preparation of both the financial statements and the FSD&A rests with the City's management. The City's 2016 Consolidated Financial Statements include:

- **Consolidated Statement of Financial Position:**

  This statement is a summary of financial assets and financial liabilities, net assets (debt), non-financial assets, and accumulated surplus as at December 31st. The statement is used to evaluate the City's ability to finance its activities and to meet its liabilities and commitments.

- **Consolidated Statement of Operations and Accumulated Surplus:**

  This statement outlines revenues and expenses, in total describing the net change to accumulated surplus for the year.

- **Consolidated Statement of Changes in Net Assets:**

  This statement reports changes in future revenue requirements. The annual surplus is provided, with reversals for tangible capital asset acquisitions, disposals, amortizations, and sales. The change in net assets (debt) is an indicator of whether revenues raised in the year were sufficient to cover current year spending.

- **Consolidated Statement of Cash Flows:**

  This statement is a summary of how the City's cash and cash equivalents position changed during the year, highlighting activities related to operating, capital, investing and financing.

FINANCIAL HIGHLIGHTS

Overall, the City's financial position has continued to improve as at December 31, 2016. This positive result was the product of a number of factors reflected within the financial statements, including:

- The Consolidated Statement of Financial Position reports an increase in accumulated surplus of $63.3 million to $1,010.4 million at December 31, 2016. Financial assets increased by $20.3 million to $191.4 million and financial liabilities increased by $3.4 million to $104.9 million, as the City increased short-term financial investments and, to a lesser degree, corporate bond investments in 2016. Non-financial assets increased by $46.4 million to $923.8 million due to increased investment in tangible capital assets.
- The Consolidated Statement of Operations and Accumulated Surplus reports a 2016 Annual Surplus of $63.3 million. This was the result of consolidated revenues of $200.7 million and consolidated expenses of $166.9 million. Overall revenue decreased by $3.9 million compared to the prior year results. While government transfers were higher than the previous year, developer contributions were significantly reduced compared to what was reported in 2015. Property taxes increased by $2.4 million from 2015 to 2016. Overall expenses increased by $7.0 million compared to the prior year results due to increases in protective services and general government services, in addition to inflationary increases in other expense categories.
- The Consolidated Statement of Cash Flows reports a year-over-year decrease of $24.6 million in the City's cash and cash equivalents position, to $12.8 million. This is mainly due to increased investment in tangible capital assets and financial investments.

SIGNIFICANT VARIANCES OR EVENTS

BUDGET VARIANCES

While the City was able to implement its business plans and budgets essentially as expected, the City's financial statements were affected by some unexpected events during the year. These events resulted in variances, both favourable and unfavourable, in relation to the City's initial operating budget expectations.

Significant unfavourable variances included a decrease in revenue from government transfers ($2.0 million), an increase in protective services expenses ($1.9 million), an increase in utility services expenses ($4.3 million), an increase in recreation and parks expenses ($4.7 million) and an increase in transportation and roadway services expenses ($11.0). These were offset by significant favourable variances related to an increase in revenue from sales and user fees ($2.3 million), an increase in revenue from fines and penalties ($1.0 million) and an increase in other revenue ($1.0 million). In addition, there was a favourable variance on the expense side related to a decrease in general and government services expenses ($4.2 million). The combined variances produced an operating budget surplus of approximately $6.9 million. Of that total, $2.2 million was transferred to the Stabilization Reserve, $0.9 million was allocated for Intermunicipal Initiatives, $0.1 million was allocated for Ministerial Inspection, $1.0 million was allocated for AFRRCS Emergency Radio System, $30,000 was allocated for Enhanced Election Management Capacity and $25,000 was allocated for Canada Day. The remaining $2.6 million was transferred to the Capital Fund Reserve.

PRIOR YEAR VARIANCES

The City's Cash and Cash Equivalents position experienced a decrease of $24.6 million in 2016 primarily due to increased investment in financial investments and tangible capital assets. Other significant events included:

- A repayment of $3.9 million in long-term debt. This resulted in an improved debt position of $41.6 million from $45.5 million.
- A $46.0 million increase in the value of the City's tangible capital assets, to $921.9 million. These tangible capital assets typically take the form of municipal infrastructure, including civic facilities, roadways, equipment, etc., and are critical to the City's ongoing ability to support overall quality of life in the community.
- A $13.4 million increase in the City's reserve balance (i.e., restricted accumulated surplus), to $129.7 million. The City's reserves are held for both operating and capital purposes, and are segmented by entity, type, and intended use, and are required in accordance with detailed future modeling and replacement plans.

FINANCIAL REVIEW

FINANCIAL ASSETS

The Consolidated Statement of Financial Position summarizes the City's financial asset position as at December 31, 2016. The City's financial assets increased in 2016 by $20.3 million to $191.4 million due mainly to an increase in cash and cash equivalents, and financial investments.

These results reflect the City's continued stable financial asset position, and continued application of its Cash Management and Investment Policies. The City maintains a sufficient amount of resources that could be converted to cash if necessary, as well as assets available to address current and future liabilities or commitments.

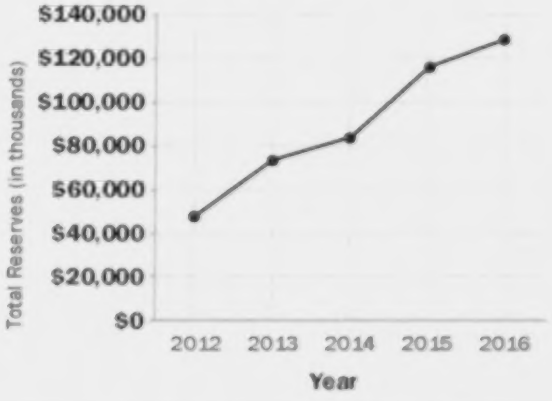
The City's accumulated surplus of $1,010.4 million is the product of the minor general surpluses or deficits in each of the City's entities over the years, plus significant amounts restricted as reserves or invested in tangible capital assets.

The City's reserve balance increased by $13.4 million over prior year results. Schedule 1 to the consolidated financial statements provides details relating to the $129.7 million reserve balance. Reserves are an important tool used by municipalities to set aside funds to replace existing capital assets, respond to emergent needs and fund future capital projects. High reserves can contribute to a municipality's fiscal health, but reserve balances may increase for a time and then decrease significantly to address planned capital requirements. Historically, the City of St. Albert has taken a rather conservative approach to reserve accumulation. The City's reserves are held for both operating and capital purposes and are segmented by entity, type and intended use.

In order to improve the accountability, planning and management of its reserves, the City has established a Reserve Policy C-FS-01. This policy and the related administrative processes support accountability, transparency, clear monitoring and reporting, long-term fiscal planning, and improved cash management by identifying cash flows which will assist in potential longer-term investment opportunities and internal financing capacity. Initial establishment of reserves, as well as transfers to and from reserves, requires the approval of City Council.

2016 Operating and Capital Reserves By Type

Reserve Balance Trend



FINANCIAL LIABILITIES

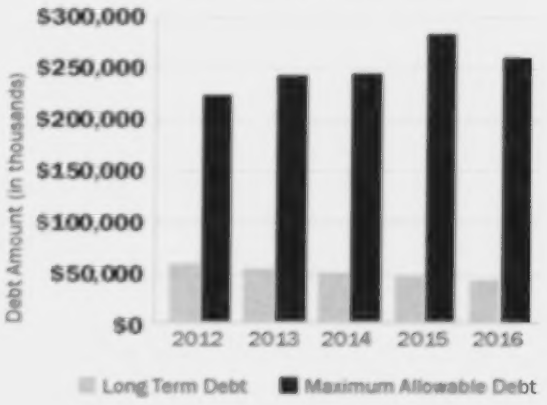
The Consolidated Statement of Financial Position summarizes the City's financial liability position as at December 31, 2016. The City's total financial liabilities of $104.9 million increased by $3.4 million compared to prior year results, mostly due to an increase in offsite levy liabilities.

The City's repayment of $3.9 million in long-term debt improved its debt position to $41.6 million from $45.5 million. Other financial liabilities include accounts payable and accrued liabilities of $17.5 million, which increased by $0.2 million from $17.3 million in 2015. Deferred revenue totalling $34.7 million increased by $0.5 million from $34.2 million in 2015. Use of these deferred revenues remains restricted until the timing or conditions associated with the revenue have been satisfied. Offsite levy liabilities increased by $6.7 million from 2015 as a result of the issuance of new development agreements and the corresponding payment of required levies. These funds are held in trust by the City until such time as the qualifying infrastructure is constructed by a developer at which time the costs will be reimbursed.

The majority of the City's existing long term debt relates to two projects approved in 2004 – the first stages of Ray Gibbon Drive and the construction of Servus Credit Union Place. These two projects alone, due to their significance, resulted in two 20-year external borrowings that increased the City's debt by approximately $22 million and $38 million, respectively. While the debt requirements for the two major projects were significant, the City will remain significantly below debt limits established by the Province of Alberta and the stricter limits the City has established for itself through its Debt Management Policy C-FS-03. As current borrowings are retired over the next 12 years the City's debt position would continue to improve, provided no additional debt is taken on. However, the City is planning to take on additional debt in 2017 and 2018 to finance two significant projects: the North Interceptor Trunk Line (a sanitary sewer line) and a new branch library. Historically, the City has acted cautiously with regard to debt but there are times when using debt to finance large projects is the financially prudent course of action.

The City's Debt Management Policy C-FS-03 is used to manage borrowing capacity for future capital assets, maintain maximum flexibility of current operating funds, and limit the impact that debt charges will have on future tax and utility rates through internal limits on borrowing. All borrowing completed by the City has been in the form of debentures through the Alberta Capital Finance Authority. These borrowings leverage the Province of Alberta's strong debt rating and the combined borrowings of other municipalities and education authorities. Interest rates are established at the time of borrowing and remain constant throughout its term, eliminating the risk associated with rate fluctuations. Debt servicing payments are made annually or semi-annually.

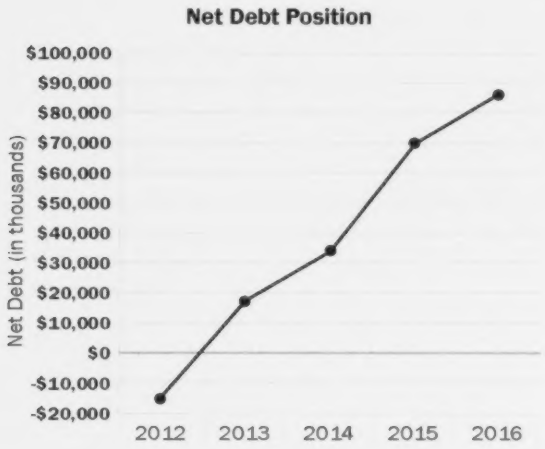
Long Term Debt vs. Debt Capacity



NET FINANCIAL ASSETS (DEBT)

A government's net financial assets (debt) position is a function of its total financial liabilities and its total financial assets. This calculation is a key financial indicator related to the City's financial position as it reflects the relationship between annual surplus, tangible capital asset acquisitions/disposals/ amortizations, and treatment of other inventories or expenses. The Consolidated Statement of Changes in Net Assets summarizes the City's net financial assets (debt) position, which increased by $16.9 million to $86.6 million due to the increase in financial assets being larger than the increase in financial liabilities.

Although debt can serve a useful purpose, a growing net asset position is a positive sign for the City's fiscal health and allows more financial resources to be directed to operations and capital projects as opposed to servicing the interest on borrowings.



NON-FINANCIAL ASSETS

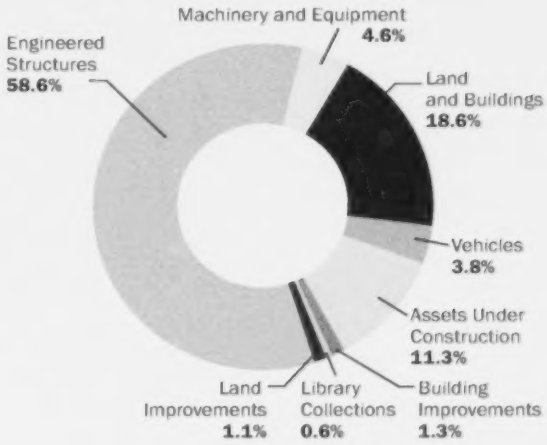
Non-financial assets, summarized on the Consolidated Statement of Financial Position, include tangible capital assets, inventories of materials and supplies, and prepaid expenses. In 2016, the value of the City's non-financial assets increased by $46.4 million to $923.8 million. The majority of this increase related to an increase in tangible capital assets of $46.0 million, to $921.9 million. Tangible capital assets typically take the form of municipal infrastructure, including civic facilities, roadways, equipment, etc. These assets provide significant value to the community, as they directly impact a community's productivity, level of investment and overall quality of life.

Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. The cost, less estimated salvage value, of the tangible capital assets is amortized on a straight-line basis over the assets' estimated useful lives, ranging from five to 75 years.

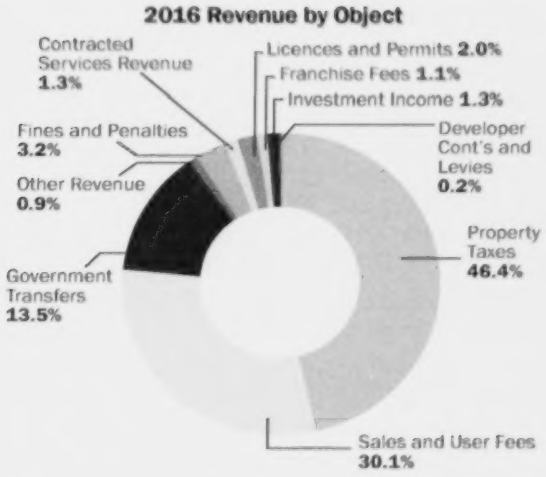
The City's investments in capital infrastructure are in accordance with its approved Capital Budget and 10 Year Capital Plan. City Council approves budgets for each capital project based on the maximum forecast expenditure for the year to accommodate the associated planning and scheduling requirements. There is typically a portion of the year's budget carried forward to future years for projects not completed within the fiscal year, and as a result budgets are not directly comparable with current year actual amounts.

In 2016, capital spending was primarily focused on land and buildings, and engineered structures. Tangible capital asset acquisitions totaled $69.0 million. Disposals totaled $0.2 million net of depreciation and amortization and there were no tangible capital asset write-downs in 2016. The City plans to continue to maintain its commitment to infrastructure maintenance and upgrades over time, as a means to address the elements within its 10 Year Capital Plan.

2016 Tangible Capital Asset Acquisitions



REVENUES



The Consolidated Statement of Operations and Accumulated Surplus summarizes the City's revenues. Consolidated City revenues of $200.7 million were $4.0 million higher than budgeted amounts for 2016, mainly due to higher than expected revenue from sales and user fees, fines and penalties, and licences and permits. Other revenue sources performed largely as budgeted although government transfers were $2.0 million less than budget at $27.1 million. Overall, some of the City's revenues fluctuate with economic conditions, yet its main sources of revenue (property taxation, sales and user fees, and government transfers) are relatively stable.

Property Taxation revenue of $93.1 million was in line with budget estimates. This figure was moderately higher than 2015 ($90.7 million) despite an overall property tax decrease of 0.4 per cent in 2016. The higher revenue was mainly the result of assessment growth as opposed to a tax increase. Property tax represented 46.4 per cent of the City's total revenues in 2016.

Sales and User Fees of $60.5 million were $2.3 million higher than budget estimates. This figure was higher than 2015 ($59.6 million) as a result of an overall increase that was applied to the majority of user fees charged by the City. The City continues to apply a user pay philosophy in its operations, as per its policy-based fee approach. The City relied on sales and user fees for 30.1 per cent of its total revenues in 2016.

Government Transfers of $27.1 million were $2.0 million less than budgeted. This is primarily related to budgeted grants that were not received during the 2016 period. The City relied on government transfers for 13.5 per cent of its total revenues in 2016.

Developer Contributions and Levies of $0.4 million were received as revenue in 2016. These funds are related to the reimbursement to the City for the direct construction of qualifying infrastructure under the off-site levy bylaw. The City does not budget for this type of revenue. This figure was significantly lower than 2015 ($14.3 million) as fewer levies from completed development projects were taken into income.

Other Revenues of $1.8 million were $1.0 million higher than budget. This figure was higher than 2015 ($1.6 million).

Fines and Penalties of $6.4 million were $1.0 million higher than budgeted. This figure was lower than 2015 ($6.6 million).

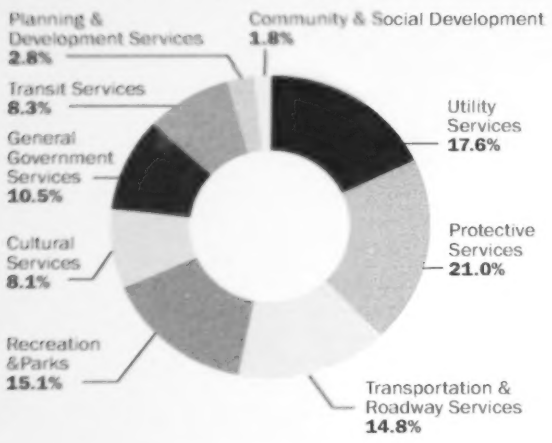
Licences and Permits of $3.9 million were $1.3 million higher than budgeted. This figure was higher than 2015 ($3.2 million). This category is highly sensitive to economic conditions.

Franchise Fees of $2.2 million was on budget. This amount was slightly higher than 2015 ($2.0 million).

Investment Income of $2.6 million was on budget. This figure was higher than 2015 ($2.4 million) as a result of more money being invested and the ongoing benefit of a more diversified portfolio.

EXPENSES

2016 Expenses by Function



The Consolidated Statement of Operations and Accumulated Surplus summarizes the City's expenses. Consolidated expenses of $166.9 million were $19.3 million higher than budgeted amounts for 2016, mainly as a result of two City practices. First, the City does not budget for amortization costs ($22.8 million). Amortization costs were particularly pronounced in the areas of recreation and parks, utility services, and transportation and roadway services. In addition, the City budgets for debenture interest and the utility administration fee corporately while applying actual expenses to individual program areas. Each of these policies will often lead to budget variances at the end of the year.

Protective Services expenses of $35.0 million were $1.9 million higher than budgeted for 2016 ($33.1 million). This figure was $3.1 million higher than 2015 ($31.9 million).

Recreation and Parks expenses of $25.2 million were $4.7 million higher than budgeted primarily due to unbudgeted amortization costs ($3.5 million) and unbudgeted debenture interest expenses ($1.1 million). This figure was slightly higher than 2015 ($24.6 million).

Utility Services expenses, including water, wastewater, storm water, and solid waste, of $29.4 million were $4.3 million higher than budgeted mainly due to unbudgeted amortization costs ($4.5 million). This figure was a little higher than 2015. Utilities are funded through rates but grants have been used to subsidize capital expenditures. In 2014, City Council passed a motion to phase out the use of MSI (Municipal Sustainability Initiative) grants that are not specifically designed to finance utilities. This phase-out will occur over a five-year period beginning in 2015. Subsequently in 2015, City Council elected to apply a portion of federal gas tax grants to utilities. The City does not receive a return on investment or dividend return from its utilities.

Transportation and Roadway Services expenses of $24.8 million were $11.0 million higher than budgeted due to unbudgeted amortization costs ($10.1 million) and unbudgeted debenture interest expenses ($1.0 million). This figure was slightly higher than 2015 ($24.4 million)

General Government Services expenses of $17.5 million were $4.2 million lower than budgeted due to budgeted debenture interest expenses that are reported corporately rather than at the division level, and contracted and general services that were lower than anticipated. This figure was higher than 2015 ($16.2 million) due to employee cost-of-living and related employee benefit increases, and an increase in contracted and general services.

Transit Services expenses of $13.8 million were $0.8 million higher than budgeted primarily due to unbudgeted amortization costs ($1.7 million). This figure was slightly lower than 2015 ($13.9 million).

Cultural Services expenses of $13.5 million were $1.2 million higher than budgeted primarily because Arts and Heritage costs are not normally budgeted by the City. This figure was slightly higher than 2015 ($13.4 million).

Planning and Development Services expenses of $4.7 million were $0.1 million lower than budgeted. This figure was higher than 2015 ($4.3 million) due to employee cost-of-living and related employee benefit increases, and an increase in contracted and general services.

Community and Social Development costs of $3.1 million were $0.3 million lower than budgeted. This figure was higher than 2015 ($2.6 million) due to employee cost-of-living and related employee benefit increases, and an increase in contracted and general services.

As discussed previously, the interest portion of debt servicing costs of $2.0 million are included in the above results for each functional category. This figure was slightly higher in 2015 ($2.2 million) reflecting the continuing reduction in debt as current debentures are repaid.

ANNUAL SURPLUS

During 2016, the City realized an excess of revenue over expenses in the amount of $63.3 million. This amount represents the City's Annual Surplus, which is summarized within the Consolidated Statement of Operations and Accumulated Surplus.

The Annual Surplus positively impacts the City's net asset position, but is reduced by the tangible capital asset activities such as acquisitions ($39.5 million), disposals ($0.2 million), amortization costs ($22.8 million), and contributed assets[2] of $29.5 million. These activities and other acquisitions or consumptions resulted in an overall increase in net assets of $16.9 million.

The City's operating activities also resulted in a modest budget surplus. This budget surplus was the result of an excess in total revenue available for operations relative to total expenses less amortization costs, long-term debt repayments and transfers. As the Statement of Operations and Accumulated Surplus is based on full accrual accounting and includes amortization expenses, revenue from government transfers for capital, and revenue from contributed assets, a reconciliation between the surplus on the Statement of Operations and Accumulated Surplus and the City's operating budget results is required.

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[2] *Contributed assets provide a future economic benefit to the City and include roads, land, sidewalks and street lighting transferred from developers when projects are completed. Contributed assets are largely dependent on development and the timing of final acceptance certificates issued by the City to developers. Once these assets are contributed to the City, the financial responsibility for the repair, maintenance and replacement of these assets also transfers to the City.*

CASH FLOWS

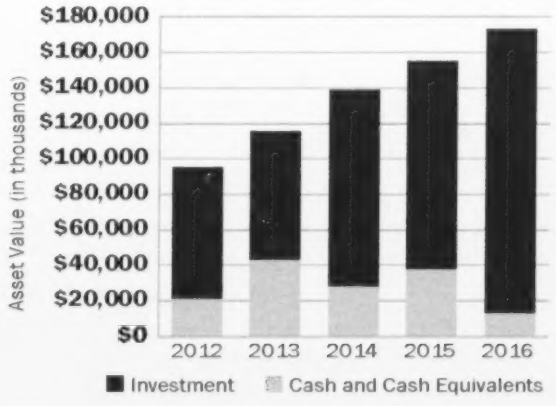
The Consolidated Statement of Cash Flows summarizes the City's sources and uses of cash. During 2016, the City's cash and cash equivalents position decreased by $24.6 million to $12.8 million. Although cash from operations was higher in 2016, more cash was used to invest in financial and non-financial assets compared to 2015. The result was a net decrease in the City's cash position. This demonstrates the application of the City's Cash Management Policy C-FS-04 and Investment Policy C-FS-02 which prescribe how excess cash is prudently invested in a diversified portfolio of short-term and longer-term investments.

The City's cash position is closely managed and remains adequate, along with short-term investments, to meet ongoing requirements. Management will also continue to conduct analyses to ensure that appropriate levels of working capital are maintained to maximize investment returns, maximize internal borrowing or debt prepayment opportunities, and minimize interest expenses or overdraft charges.

The City's Investment Policy C-FS-02 is used to ensure its investments conform to all provincial statutes and regulations while optimizing investment returns, providing maximum security of principal and meeting the City's daily cash flow requirements. Investments are limited to instruments in which the principal is unconditionally guaranteed, and investment performance is benchmarked against the three month Federal Treasury Bill rate, and the three and seven year Government of Canada benchmark bond yield. A report on the City's investment portfolio is presented to City Council on a quarterly basis to ensure accountability for the nature and diversification of the portfolio to the investment policy.

In 2016, the City's long-term bond portfolio had effective rates of 1.78 per cent to 3.84 per cent, with maturity dates ranging between 2018 and 2026. The City's short-term investments had effective rates between 1.23 per cent and 2.79 per cent with maturity dates ranging between three months and one year. Both of these returns compare favourably to the 2016 three month treasury bill average return of 0.49 per cent, the 2015 three year Government of Canada benchmark bond yield of 0.60 per cent, and the seven year Government of Canada benchmark bond yield of 0.99 per cent.

Cash and Cash Equivalents vs. Investments



FINANCIAL CONTROL AND ACCOUNTABILITY

The City maintains a number of processes and financial controls to ensure that accountability is maintained and that management is able to proactively identify and address financial challenges.

Financial Governance

Notwithstanding that the City's management is responsible for the preparation of the FSD&A and financial statements, the City's governance structure requires a review of various quarterly reporting, financial policies, audit findings, significant or unusual financial transactions, and accounting treatments or estimates. City Council conducts the majority of these reviews and is ultimately responsible for approving the City's budget, appointing the auditor, and providing general financial authority and oversight.

Budgeting and Financial Reporting

Based on the input from citizens, businesses, and numerous other stakeholders, City Council establishes a three year financial operating plan and formally approves annual operating budget for the next year. This operating budget includes the required revenues to fund the City's delivery of desired programs and services to the community, and represents City Council's priorities as identified in the City's Strategic Plan, Business Plan, and other sources. From year-to-year, services may be altered when City Council identifies a clear need. Note that the operating budget is also prepared on the modified cash flow basis. Based on this method the City uses tax revenues, reserve transfers and government transfers to balance its operating budget. The operating budget does not include revenue from contributed assets, government transfers for capital, or amortization expense.

The City also prepares an annual capital budget based on the long-term projections of its 10 Year Capital Plan. Budget items for the current year are carefully reviewed on a project basis, and funded through a variety of mechanisms such as tax revenues, reserve transfers or government transfers. As there is typically a portion of the capital budget carried forward for projects not completed within the fiscal year, budgets are not directly comparable with current year actual amounts.

Accounting Process

The City is organized into various business areas, each responsible for managing the delivery of program services in accordance with the resources allocated to those programs. While all departments share a common accounting and reporting system, financial and accounting services are administered within the Financial Services department and delivered to each business area based on its needs.

Internal Controls

The City utilizes financial policies and procedures to ensure appropriate financial internal controls are in place. Policies and procedures are reviewed annually to comply with the Municipal Government Act (MGA) and the Public Sector Accounting Standards (PSAB). A proactive approach is taken to identify and address financial challenges.

Auditing Process

The Municipal Government Act requires a municipal council to appoint an independent auditor. In 2011, a tender for audit services was completed and City Council appointed the chartered accounting firm of Deloitte as the external auditor for a three-year term, with the option to extend for a period of up to three additional years, at City Council's discretion. The three-year option was exercised in 2014. Following a comprehensive audit process and after working closely with management, the auditor must report to City Council with the annual consolidated financial statements. City Council approved the 2016 Consolidated Financial Statements at its meeting on April 18, 2017.

RISKS AND UNCERTAINTIES

The City is committed to an integrated approach to risk management, where it is viewed as a key component of sound business practice and due diligence. Management promotes a proactive, corporate-wide and systematic approach to managing risks that could affect City objectives.

Normal Operational Risk

In the usual course of business, the City is exposed to various risks that are mitigated through operational and financial controls. These risks include the normal operational risks associated with each of the City's programs and services, as well as social, legal, regulatory, environmental and economic issues or changes that could impact City operations, human resource availability and cost, and investment risk related to volatile financial markets.

Certain financial information is also prepared using estimates and judgments that have been based on careful assessments through the City's management information systems. The City maintains a system of internal controls to provide reasonable assurance as to the fairness and reliability of that information and data. These control systems are regularly reviewed and enhanced as required to ensure the production of timely, accurate and complete financial information to protect and safeguard City assets.

Revenue Volatility

Certain categories of revenue are exposed to economic or other fluctuations. These include revenues related to development permits, gas franchise fees, interest revenue, user fees/charges, government transfers, etc.

To address the challenge associated with revenue volatility, the City applies conservative budgeting practices, quarterly variance forecasting, a long-term investment strategy, a new methodology for franchise fee calculation based on the stable cost of delivery, and various environmental scanning techniques to identify market changes. The City also continues to lobby higher orders of government, either independently or through its municipal associations, for sufficient and reliable transfers.

Infrastructure Replacement

Municipal infrastructure is required to support a community's economy and quality of life. To ensure that sufficient local infrastructure is available, the City applies long-term construction and maintenance plans or strategies. In many cases, the City's identified infrastructure requirements exceed its funding capacity; therefore City Council engages in prioritization and seeks alternative sources of funding, such as borrowing or government transfers. If not addressed, a municipality's infrastructure deficit could result in lost productivity, damage to property and decreased quality of life.

Insurance Loss

The City maintains an insurance program to cover losses related to its activities, operations, assets and infrastructure. This program has two components: an insurance program purchased through well capitalized external insurers and a self-funded insurance program for all losses falling below policy deductibles. The City's approach to risk management attempts to achieve a balance between risk and total cost.

A claims reserve was established in 2008 to fund the City's self-insured program. The reserve is funded to a confidence level at the 95th percentile of the City's projected losses, as recommended in the November 2011 loss projection analysis report provided by an external consultant. At December 31, 2016, the City's outstanding and fully reserved insurance claims related liabilities were $0.6 million, and its claims self-insurance fund was another $1.3 million.

Environmental Risk

The City employs environmental management professionals to assist departments in complying with environmental laws and regulations. The City has also adopted policies and procedures to govern the City's approaches, and the organization follows Environmental Management Systems which provide a sound model to effectively deal with environmental impacts associated with municipal activities. In addition, insurance policies are in place to handle potential unexpected environmental exposures.

FUTURE OUTLOOK

The City of St. Albert comes from a long history of steady growth supported by fiscally responsible, accountable and forward-looking leaders. The City is known for consistent delivery of high quality desired services and continues to be recognized as one of the best places to live and raise a family in Canada.

St. Albert, for the most part, has been able to weather the recent economic downturn in Alberta over the last several years. Even now with the Alberta economy starting to recover, we continue to operate in an uncertain and ever-changing economic and political landscape. This economic reality along with our limited non-residential tax base creates challenges in our goals of managing organizational costs to provide programs and services, maintaining our infrastructure and supporting the growth of the City.

A continued focus on fiscal sustainability, integrity and transparency along with rigorous short, medium and long-term planning will be required to ensure the success of our future community. As with most municipalities across Alberta and Canada, the City of St. Albert is facing a significant capital shortfall over the next ten years and beyond primarily related to plans for new civic infrastructure. In order to mitigate this challenge, the City is embarking on a long-range capital financial plan process that will ensure we are positioned with the decision-making tools and financial strategies we will need to support both our existing infrastructure and future growth to services in our community.

This work is timely as the provincial government introduced new legislation in the form of amendments to the Municipal Government Act (MGA) and associated regulations. One of the more impactful regulations will now allow municipalities to extend the off-site levy program and bylaw to include recreational and other municipal infrastructure such as fire halls. This new revenue source will aide in addressing the capital deficit.

New federal infrastructure funding programs will help support municipalities across the country in meeting their infrastructure challenges and St. Albert hopes to benefit directly from many of these programs. The City is also awaiting announcements from the provincial government on the future of the Municipal Sustainability Initiative (MSI) grant program in terms of its continuation or replacement with new programs. The annual MSI grant currently provides a large portion of the grants available to the city for capital needs.

As with all municipalities, there are limited traditional revenue streams. In order to support the City's long term strategies, the City will focus efforts towards identifying and capitalizing on non-traditional sources of revenue, cost avoidance/sharing and partnerships. The City will also continue to pursue the attraction of non-residential investment and foster innovation throughout the organization.

The City of St. Albert continues to be in a strong and stable financial position with healthy reserve balances, manageable debt levels and a strategic plan based on the voice of our community that is captured in the 50-year Community Vision. Our continued focus on fiscal and operational opportunities enables the City to continue to provide high quality programs and services and effectively maintain and grow our civic infrastructure. The success of our City is made possible through the efforts of the dedicated staff of the City of St. Albert. Our appreciation is extended to all of those who make St. Albert a great place to live and work.

Kevin Scoble, Chief Administrative Officer

Diane McMordie, Director of Financial Services

April 18, 2017

CANADIAN AWARD FOR FINANCIAL REPORTING

For the last 16 years, the City has received a Canadian Award for Financial Reporting for its Annual Financial Reports. This award, presented by the Government Finance Officers Association of the United States and Canada (GFOA), is presented to governments across Canada who publish high-quality financial reports.

In order to qualify, a government must publish an easily readable and efficiently organized annual financial report, the contents of which conform to program standards beyond the minimum requirements prescribed by Canada's Generally Accepted Accounting Principles. Such a report should clearly communicate the municipality's financial condition, enhance an understanding of financial reporting, and address user needs.

A Canadian Award for Financial Reporting is valid for a period of one-year only. The City of St. Albert believes its current Report continues to conform to the program award requirements and will therefore again forward it to the Government Finance Officers Association for award consideration.

Government Finance Officers Association

Canadian Award for Financial Reporting

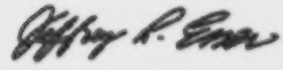
Presented to

The City of St. Albert

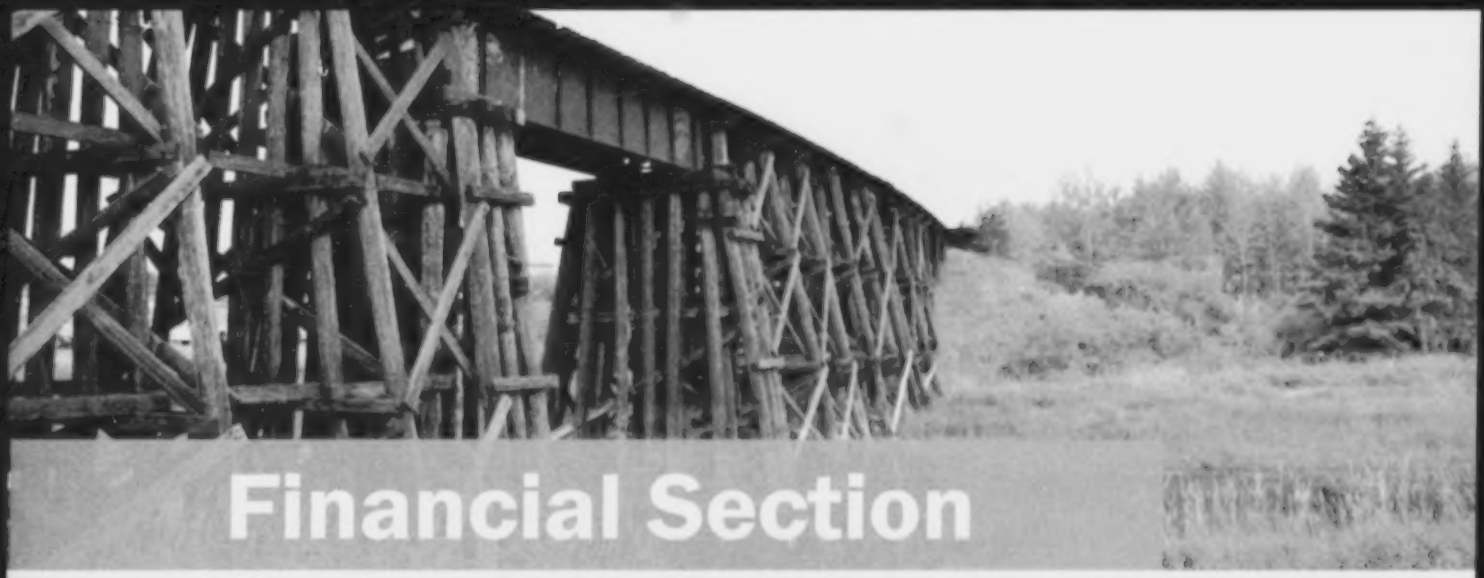
Alberta

For its Annual
Financial Report
for the Year Ended

December 31, 2015



Executive Director/CEO



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Management's Report

To the Mayor and members of Council of the City of St. Albert.

Management is responsible for the integrity, relevance and comparability of the data in the accompanying consolidated financial statements. The consolidated financial statements have been prepared by Management in accordance with Canadian Public Sector Accounting Board standards. The preparation of the consolidated financial statements necessarily includes some amounts which are based on Management's best estimates.

It is City policy to practice the highest standard of ethics. The City also has policies and procedures for internal controls.

Management is committed to maintaining an extensive system of internal controls, providing reasonable assurance that:

* all transactions are appropriately authorized

* assets are properly accounted for and safeguarded

* all transactions are appropriately recorded, and financial records are reliable for the preparation of financial statements.

Oversight for Management's responsibilities for financial reporting is provided by City Council through the Standing Committee of the Whole. There are regular meetings between the Committee, Management and independent auditors to discuss auditing and reporting on financial matters, and to ensure that Management is carrying out its responsibilities with its preparation of the financial statements. The auditors have full and free access to the Committee and Management.

The consolidated financial statements have been audited by the independent firm of Deloitte LLP.

Kevin Scoble,

City Manager

Diane McMordie, CPA,CMA

Director of Financial Services

Deloitte.

Deloitte LLP
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www.deloitte.ca

Independent Auditor's Report

To the Mayor and members of Council of the City of St. Albert

We have audited the accompanying consolidated financial statements of the City of St. Albert, which comprise the consolidated statement of financial position as at December 31, 2016, and the consolidated statements of operations and accumulated surplus, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the City of St. Albert as at December 31, 2016, and the results of its operations, changes in its net assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Deloitte LLP

Chartered Professional Accountants
April 18, 2017

CITY OF ST. ALBERT
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2016 (in thousands of dollars)

	2016	2015
Financial Assets		
Cash and Cash Equivalents (Note 2)	$ 12,805	$ 37,403
Accounts Receivable	14,790	12,115
Taxes Receivable	2,943	2,930
Inventories Held for Resale	30	22
Land Held for Resale	614	614
Investments (Note 3)	160,245	118,057
Total Financial Assets	191,427	171,141
Financial Liabilities		
Accounts Payable and Accrued Liabilities (Note 4)	17,491	17,326
Deferred Revenue - Government Transfers (Note 5)	31,382	31,378
Deferred Revenue - Other (Note 5)	3,333	2,800
Offsite Levy Liabilities (Note 6)	9,330	2,648
Deposit Liabilities	1,552	1,612
Long-Term Debt (Note 7)	41,586	45,515
Landfill Liability (Note 8)	200	200
Total Financial Liabilities	104,874	101,479
Net Financial Assets	86,553	69,662
Non-Financial Assets		
Tangible Capital Assets (Note 9)	921,897	875,884
Inventories of Materials and Supplies	1,199	1,049
Prepaid Expenses	748	499
Total Non-Financial Assets	923,844	877,432
Accumulated Surplus (Note 11)	$ 1,010,397	$ 947,094

Commitments and Contingencies (Note 12)

Approved by

Mayor City Manager

CITY OF ST. ALBERT
CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
Year Ended December 31, 2016 (in thousands of dollars)

	2016 Budget (Note 17)	2016	2015
Revenue			
Property Taxes (Note 13)	$ 93,194	$ 93,123	$ 90,691
Sales and User Fees	58,204	60,524	59,640
Government Transfers (Note 14)	29,146	27,140	21,684
Developer Contributions and Levies	-	415	14,314
Fines and Penalties	5,351	6,394	6,578
Licenses and Permits	2,569	3,896	3,226
Contracted Services Revenue	2,593	2,679	2,593
Investment Income	2,617	2,559	2,350
Franchise Fees	2,280	2,209	2,015
Other Revenue	772	1,811	1,550
Total Revenue	196,726	200,750	204,641
Expenses			
Protective Services	33,131	35,008	31,874
Utility Services	25,030	29,364	28,557
Recreation and Parks	20,478	25,182	24,610
Transportation and Roadway Services	13,819	24,778	24,404
General Government Services	21,754	17,541	16,167
Transit Services	13,022	13,796	13,942
Cultural Services	12,267	13,478	13,381
Planning and Development Services	4,802	4,704	4,318
Family and Social Services	3,321	3,070	2,620
Total Expenses	147,624	166,921	159,873
Annual Surplus Before Other	49,102	33,829	44,768
Other			
Contributed Assets	-	29,474	13,025
Annual Surplus	49,102	63,303	57,793
Accumulated Surplus, Beginning of Year	947,094	947,094	889,301
Accumulated Surplus, End of Year	$ 996,196	$ 1,010,397	$ 947,094

CITY OF ST. ALBERT
CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS
Year Ended December 31, 2016 (in thousands of dollars)

	2016 Budget (Note 17)	2016	2015
Annual Surplus	$ 49,102	**$ 63,303**	$ 57,793
Acquisition of Tangible Capital Assets	(90,127)	**(39,517)**	(30,908)
Contributed Tangible Capital Assets	-	**(29,474)**	(13,025)
Proceeds on Disposal of Tangible Capital Assets	-	**87**	610
Amortization of Tangible Capital Assets	-	**22,757**	21,644
Loss on Disposal of Tangible Capital Assets	-	**134**	158
	(41,025)	**17,290**	36,272
Acquisition of Inventories of Materials and Supplies	-	**(1,199)**	(1,049)
Acquisition of Prepaid Expenses	-	**(748)**	(499)
Consumption of Inventories of Materials and Supplies	-	**1,049**	952
Use of Prepaid Expenses	-	**499**	305
	-	**(399)**	(291)
Increase in Net Assets	(41,025)	**16,891**	35,981
Net Financial Assets, Beginning of Year	69,662	**69,662**	33,681
Net Financial Assets, End of Year	$ 28,637	**$ 86,553**	$ 69,662

CITY OF ST. ALBERT
CONSOLIDATED STATEMENT OF CASH FLOWS
Year Ended December 31, 2016 (in thousands of dollars)

	2016	2015
Cash Provided by (Used in):		
Operating Activities		
Annual Surplus	$ 63,303	$ 57,793
Items Not Involving Cash:		
Amortization	22,757	21,644
Tangible Capital Assets Received as Contributions	(29,474)	(13,025)
Loss on Disposal of Tangible Capital Assets	134	158
	56,720	66,570
Change in Non-Cash Assets and Liabilities:		
Accounts Receivable	(2,675)	(2,139)
Taxes Receivable	(13)	(30)
Inventories Held for Resale	(8)	1
Accounts Payable and Accrued Liabilities	(1,053)	1,005
Deferred Revenue - Government Transfers	4	(5,107)
Offsite Levy Liabilities	6,682	(9,569)
Deferred Revenue - Other	533	90
Deposit Liabilities	(60)	(273)
Inventories of Materials and Supplies	(150)	(97)
Prepaid Expenses	(249)	(194)
Cash From Operating Activities	59,731	50,257
Capital Activities		
Acquisition of Tangible Capital Assets	(38,299)	(30,580)
Proceeds on Disposal of Tangible Capital Assets	87	610
Cash applied to Capital Activities	(38,212)	(29,970)
Investing Activities		
Purchase of Investments	(171,213)	(125,198)
Maturity of Investments	129,025	118,389
Cash applied to Investing Activities	(42,188)	(6,809)
Financing Activities		
Repayment of Long-Term Debt	(3,929)	(3,755)
Cash applied to Financing Activities	(3,929)	(3,755)
(Decrease) Increase in Cash and Cash Equivalents During Year	(24,598)	9,723
Cash and Cash Equivalents, Beginning of Year	37,403	27,680
Cash and Cash Equivalents, End of Year	$ 12,805	$ 37,403

1. Significant Accounting Policies

The consolidated financial statements ("financial statements") of the City of St. Albert (the "City") are the representations of management and have been prepared in accordance with Canadian public sector accounting standards.

Significant accounting policies adopted by the City are as follows:

a. Reporting Entity

The financial statements reflect the assets, liabilities, revenues and expenses of the reporting entity. The entity is comprised of all organizations, committees and local boards that are owned or controlled by the City and are, therefore, accountable to the Council for the administration of their financial affairs and resources. In addition to the City's municipal government operations, entities include the St. Albert Public Library and the Arts & Heritage Foundation of St. Albert. Inter-departmental and inter-organizational transactions and balances between these organizations have been eliminated. Note 13 to the financial statements also includes requisitions for educational and other organizations that are not part of the City.

b. Use of Estimates

The preparation of the financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include assumptions used in estimating, historical cost of certain tangible capital assets, useful lives of tangible capital assets, fair value of contributed assets, provisions for accrued liabilities, landfill liability, contaminated site liabilities, revenue recognized in the year, deferred revenue, provision for tax exempt appeals, investment impairment, provisions for allowances in accounts receivable and in performing actuarial valuations of employee future benefits.

Actual results could differ from these estimates.

c. Basis of Accounting

The City follows the accrual basis of accounting. Revenue, which is not directly related to any specific program, is reflected in General Municipal Revenue.

i. Revenue

Revenue is accounted for in the period in which it is earned and measurable. Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Tax revenues are recognized when the tax has been authorized by bylaw and the taxable event has occurred. Requistions operate as a flow through and are excluded from municipal revenue

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for certain programs, in the completion of specific work, or for the purchase or construction of tangible capital assets. These transfers are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return. These are recognized in the financial statements as revenue in the period in which events

1. **Significant Accounting Policies (cont'd)**

c. **Basis of Accounting (cont'd)**

i. **Revenue (cont'd)**
giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be determined.

ii. **Expenses**

Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

d. **Cash and Cash Equivalents**

Cash and cash equivalents consist of bank deposits and short term investments with original term to maturity of three months or less.

e. **Land Held for Resale**

Land held for resale is recorded at the lower of cost or net realizable value. Cost includes costs for land acquisition and improvements required to prepare the land for servicing such as clearing, stripping and levelling charges. Related development costs incurred to provide infrastructure such as water and wastewater services, roads, sidewalks and street lighting are recorded as physical assets under the respective function.

f. **Investments**

Investments are recorded at amortized cost. Investment premiums and discounts are amortized on the straight line basis over the term of the respective investments. When there has been a loss in value that is other than a temporary decline, the respective investment is written down to recognize the loss.

g. **Inventories Held for Resale**

Inventories held for resale consist mainly of concession inventory and are valued at lower of cost and net realizable value.

h. **Non-Financial Assets**

Non-financial assets are not available to discharge existing liabilities and are held for the use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations.

i. **Tangible Capital Assets**

Tangible capital assets ("TCA") are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value of the tangible capital assets, excluding land, is amortized on a straight line basis over the estimated useful lives as follows:

Buildings and Building Improvement	5 to 50 years

1. Significant Accounting Policies (cont'd)

h. Non-Financial Assets (cont'd)

i. Tangible Capital Assets (cont'd)

Land Improvement	10 to 30 years
Library Collections	5 years
Engineered Structures	
Roadway System	15 to 60 years
Water System	35 to 75 years
Wastewater System	35 to 75 years
Storm System	35 to 75 years
Machinery and Equipment	10 to 25 years
Vehicles	10 to 25 years

One half of annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

Cultural and historical assets such as works of art, historical and heritage sites are not recorded as tangible capital assets in these financial statements but are disclosed.

The City does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset.

Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

ii. Contributions of Tangible Capital Assets

TCA received as contributions are recorded at fair value at the date of receipt and also are recorded as revenue.

iii. Inventories of Materials and Supplies

Inventories of materials and supplies consist mainly of parts and road maintenance materials and are valued at the lower of cost and replacement cost.

i. Post Employment Benefits

The City participates in multi-employer pension plans. As such, contributions for current and past service pension benefits are recorded as expenses in the year in which they become due.

j. Landfill Liability

Pursuant to the Alberta Environmental Protection and Enhancement Act, the City is required to fund the closure of its landfill site and provide for post-closure care of the facility. Closure and post-closure activities include the

1. Significant Accounting Policies (cont'd)

j. Landfill Liability (cont'd)

final clay cover, landscaping, as well as surface and ground water monitoring, leachate control, and visual inspection. The liability for closure and post-closure care has been recognized based on an estimate of future expenses.

k. Requisition Over-levy and Under-levy

Over-levies and under-levies arise from the difference between the actual property tax levy made to cover each requisition and the actual amount requisitioned.

If the actual levy exceeds the requisition, the over-levy is accrued as a liability and property tax revenue is reduced. Where the actual levy is less than the requisition amount, the under-levy is accrued as a receivable and as property tax revenue.

Requisition tax rates in the subsequent year are adjusted for any over-levies or under-levies of the prior year.

l. Contaminated Sites Liability

Contaminated sites are a result of contamination being introduced into air, soil, water, or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of a contaminated site is recognized when a site is not in productive use and is management's estimate of the cost of post-remediation including operation, maintenance and monitoring.

2. CASH AND CASH EQUIVALENTS

	2016	2015
Cash	$ 12,805	$ 22,403
Cash Equivalents	-	15,000
	$ 12,805	$ 37,403

Cash includes balances of $12,195 (2015 - $21,775) having yields ranging from 0.05% to 0.95% (2015 - 0.75% to 0.95%)

Cash equivalents are comprised of short term deposits having yields of 1.35% to 1.50% (2015 -1.35% to 1.50%) with an original maturity within 3 months.

3. INVESTMENTS

	2016		2015	
	Carrying Value	Market Value	Carrying Value	Market Value
Short Term Notes and Deposits	$ 117,544	$ 117,544	$ 80,000	$ 80,000
Corporate Bonds	42,501	43,538	37,857	39,021
Credit Union Shares	200	200	200	200
	$ 160,245	$ 161,282	$ 118,057	$ 119,221

Short term notes and deposits have effective rates of 1.23% to 2.79% (2015 - 1.21% to 1.90%), are for fixed terms, and have maturity dates ranging between 3 months and one year.

The City's bond portfolio has effective rates of 1.78% to 3.84% (2015 - 1.78% to 4.58%), with call dates ranging between 2018 and 2026.

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accrued liabilities include $125 (2015 - $125) of monitoring costs related to contaminated sites. This environmental liability is related to salt impacts, which were affecting the soil and groundwater from a former salt storage shed.

8. DEFERRED REVENUE

Pursuant to funding agreements with the Provincial and/or Federal Government, the use of these funds together with any earnings thereon is restricted to eligible expenditures on operating or capital projects as approved by the governments. These funds are recognized as revenue in the period the stipulations are met.

	2015	Net Contributions	Interest Earned	Revenue Recognized	2016
Deferred Revenue - Government Transfers					
Municipal Sustainability Initiative	$ 29,200	$ 9,630	$ 535	$ (15,023)	**$ 24,342**
Alberta Municipal Infrastructure Program	74	-	1	(75)	-
New Deal for Cities and Communities	2,046	6,726	77	(3,144)	**5,705**
Ray Gibbon Drive Provincial Grant Funding	139	-	2	(13)	**128**
Basic Capital Grant	(202)	5,635	25	(4,354)	**1,104**
Alberta Community Partners	20	-	-	(20)	-
Municipal Sustainability Initiative - Affordable Housing	101	-	2	-	**103**
Total Deferred Revenue - Government Transfers	31,378	21,991	642	(22,629)	**31,382**
Deferred Revenue - Other					
Servus Place	1,078	1,405	-	(1,389)	**1,094**
Other Miscellaneous - Operating	779	1,262	4	(1,295)	**750**
Arts and Heritage Foundation	164	196	-	(164)	**196**
Licensing	250	904	-	(250)	**904**
Community	114	1,481	-	(1,567)	**28**
Other Miscellaneous - Capital	40	17	-	(39)	**18**
Utilities	103	-	-	(5)	**98**
Performing Arts	209	185	-	(209)	**185**
Library	63	75	-	(78)	**60**
Total Deferred Revenue - Other	2,800	5,525	4	(4,996)	**3,333**
Total Deferred Revenue	$ 34,178	$ 27,516	$ 646	$ (27,625)	**$ 34,715**

6. Offsite Levy Liabilities

Offsite levies are collected from a developer upon the execution of a Development Agreement as per the Offsite Levy Bylaw. These funds are restricted to fund the construction of specific infrastructure and will be reimbursed to a developer once the said infrastructure has been built and has received a construction completion certificate.

	2015	Contributions	Interest Earned	Applied	2016
Offsite Levy Liabilities					
Transportation Offsite Levy	$ 31	$ 5,230	$ 25	$ (1,427)	$ **3,859**
Water Offsite Levy	1,433	2,066	38	(47)	**3,490**
Sanitary Sewer Levy	1,173	742	23	-	**1,938**
Stormwater Levy	11	31	1	-	**43**
Total Offsite Levy Liabilities	$ 2,648	$ 8,069	$ 87	$ (1,474)	$ **9,330**

7. LONG-TERM DEBT

a. Long-term debt consists of:

	2016	2015
Municipal Tax Supported Debenture	$ **41,586**	$ 45,515

Debenture debt has been issued on the credit and general security of the City. Debentures are held by the Alberta Capital Finance Authority. Debenture interest is payable, before Provincial subsidy, at rates ranging from 3.34% to 5.00% per annum. The debentures are payable in annual or semi annual amounts and mature in periods ranging from 2019 to 2028.

The City has an operating line of credit with its bank of $5,000 (2015 - $5,000). This credit facility bears interest at the TD Composite Prime minus 0.50% and was not drawn on at December 31, 2016.

The Province of Alberta currently provides an interest subsidy in the form of an interest subsidization grant on eligible debenture issues.

Maximum Interest Rate Payable Period of Debenture Issue	After Provincial Subsidy
January 1, 1974 - March 31, 1980	9.6 %
April 1, 1980 - March 26, 1981	10.4 %
March 27, 1981 - March 31, 1982	11.6 %

Interest on long-term debt amounted to $2,042 (2015 - $2,217) and is recorded in the Consolidated Statement of Operations and Accumulated Surplus.

The City's total cash payments for interest in 2016 were $2,072 (2015 - $2,246).

7. LONG-TERM DEBT (cont'd)

b. Long-term debt principal and interest amounts due in each of the next five years and thereafter are as follows:

	Principal	Interest	Total
2017	$ 4,111	$ 1,889	$ 6,000
2018	4,302	1,698	6,000
2019	4,502	1,498	6,000
2020	4,257	1,293	5,550
2021	4,461	1,089	5,550
Thereafter	19,953	2,475	22,428
	$ 41,586	$ 9,942	$ 51,528

c. Debt Limits

Section 276(2) of the Municipal Government Act requires that debt and debt limits, as defined by Alberta Regulation 255/2000 for the City be disclosed as follows:

	2016	2015
Total Debt Limit	$ **267,201**	$ 280,586
Total Debt	**41,586**	45,515
Amount of Debt Limit Unused	**225,615**	235,071
Maximum Allowable Debt Servicing Limit	**44,533**	46,735
Annual Payments of Existing Debt	**6,000**	6,000
Amount of Debt Servicing Limit Unused	$ **38,533**	$ 40,735

The debt limit is calculated at 1.5 times revenue of the City (as defined in Alberta Regulation 255/2000) and the debt service limit is calculated at 0.25 times such revenue. Incurring debt beyond these limitations requires approval by the Minister of Municipal Affairs. These thresholds are guidelines used by Alberta Municipal Affairs to identify municipalities which could be at financial risk if further debt is acquired. The calculation taken alone does not represent the financial stability of the City, rather, the financial statements and other factors must be considered.

8. LANDFILL LIABILITY

Alberta environmental law requires closure and post closure care of landfill sites, which includes final covering and landscaping, plumbing of groundwater and leachates from the sites, and ongoing environmental monitoring, site inspections and maintenance. The City received an Environment Canada order to undertake additional capping and grading measures in 2005 to prevent leaching into the Sturgeon River from its landfill. A Site Management Alternative report was completed in December 2005 and the City met with the regulators to discuss the alternatives and the recommended action plan. The action plan includes objectives that will maintain the integrity of the containment berms, minimize the generation of leachate and continued monitoring of the groundwater.

The landfill was permanently closed in 1986.

The City's estimated total liability is based on the sum of discounted future cash flows for post closure activities from 2010 to 2016 using a discount rate of 2.30% (2015 - 1.95%) based on the Alberta Capital Finance Authority 10 year rate stated at December 15, 2016.

	2016	2015
Estimated Closure Costs	$ 200	$ 200

During 2016 and 2015, the City incurred no costs related to the landfill closure and post closure liability. In October 2016 the City confirmed the cost estimate will remain the same, which is primarily related to ongoing environmental monitoring for the next five years.

9. TANGIBLE CAPITAL ASSETS

	2016									
	Building Improvement	Library Collections	Land Improvement	Engineered Structures	Buildings	Machinery & Equipment	Land	Vehicles	Assets Under Construction	Total
Cost										
Balance, Beginning of Year	$ 7,545	$ 2,235	$ 49,057	$ 561,722	$ 129,740	$ 23,295	$ 384,674	$ 39,563	$ 49,942	$ 1,247,773
Acquisitions	912	400	787	40,410	143	3,206	12,718	2,612	7,803	68,991
Disposals	-	(435)	-	-	-	(1,538)	-	(307)	-	(2,280)
Balance, End of Year	**8,457**	**2,200**	**49,844**	**602,132**	**129,883**	**24,963**	**397,392**	**41,868**	**57,745**	**1,314,484**
Accumulated Amortization										
Balance, Beginning of Year	1,026	1,123	24,776	257,537	59,488	11,815	-	16,124	-	371,889
Amortization expense	226	444	1,995	12,713	2,653	2,331	-	2,395	-	22,757
Disposals	-	(430)	-	-	-	(1,346)	-	(283)	-	(2,059)
Balance, End of Year	**1,252**	**1,137**	**26,771**	**270,250**	**62,141**	**12,800**	**-**	**18,236**	**-**	**392,587**
Net Book Value, End of Year	**$ 7,205**	**$ 1,063**	**$ 23,073**	**$ 331,882**	**$ 67,742**	**$ 12,163**	**$ 397,392**	**$ 23,632**	**$ 57,745**	**$ 921,897**

CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2016 (in thousands of dollars)

9. TANGIBLE CAPITAL ASSETS (cont'd)

	2015									
	Building Improvement	Library Collections	Land Improvement	Engineered Structures	Buildings	Machinery & Equipment	Land	Vehicles	Assets Under Construction	Total
Cost										
Balance, Beginning of Year	$ 7,414	$ 2,225	$ 47,962	$ 535,375	$ 130,691	$ 21,459	$ 384,674	$ 37,208	$ 39,701	$ 1,206,709
Acquisitions	151	413	1,095	26,347	39	2,436	-	3,051	10,401	43,933
Disposals	(20)	(403)	-	-	(990)	(600)	-	(696)	(160)	(2,869)
Balance, End of Year	7,545	2,235	49,057	561,722	129,740	23,295	384,674	39,563	49,942	1,247,773
Accumulated Amortization										
Balance, Beginning of Year	846	1,080	22,819	245,530	57,389	10,240	-	14,442	-	352,346
Amortization expense	200	446	1,957	12,007	2,665	2,115	-	2,254	-	21,644
Disposals	(20)	(403)	-	-	(566)	(540)	-	(572)	-	(2,101)
Balance, End of Year	1,026	1,123	24,776	257,537	59,488	11,815	-	16,124	-	371,889
Net Book Value, End of Year	$ 6,519	$ 1,112	$ 24,281	$ 304,185	$ 70,252	$ 11,480	$ 384,674	$ 23,439	$ 49,942	$ 875,884

9. TANGIBLE CAPITAL ASSETS (cont'd)

a. Assets Under Construction

Assets under construction have a cost of $57,745 (2015 - $49,942) and are amortized when the assets are put into service.

b. Contributed Tangible Capital Assets

Contributed capital assets have been recognized at fair value at the date of contribution. The fair value of contributed assets received during the year is $29,475 (2015 - $13,025). This amount is comprised of roads infrastructure in the amount of $9,306 (2015 - $0), water, storm and wastewater infrastructure in the amount of $10,515 (2015 - $12,953), land improvement (contributed land per the agreement) in the amount of $9,579 (2015 - $0), other infrastructure - park and theatre of $0 (2015 - $72) and Culture $75 (2015 - $0).

c. Works of Art and Historical Treasures

The City manages and controls various works of art and non-operational historical cultural assets including buildings, artifacts, paintings and sculptures located at City sites and public display areas. These assets are not recorded as tangible capital assets.

d. Non Cash Additions to Tangible Capital Assets

Included in Accounts Payable and Accrued Liabilities is $1,218 (2015 - $328) related to tangible capital asset acquisition. Amounts will be reported as acquisition of tangible capital assets in the consolidated Statement of Cash Flows in the year the amount is paid.

10. EQUITY IN TANGIBLE CAPITAL ASSETS

	2016	2015
Tangible Capital Assets (Note 9)	$ 1,314,484	$ 1,247,773
Accumulated Amortization (Note 9)	(392,587)	(371,889)
Long-Term Debt (Note 7)	(41,586)	(45,515)
	$ 880,311	$ 830,369

11. ACCUMULATED SURPLUS

Accumulated surplus consists of unrestricted, restricted and amounts invested in tangible capital assets as follows:

	2016	2015
Unrestricted Surplus	$ 412	$ 480
Restricted Surplus - Reserves (Schedule 1)	129,674	116,245
Equity in Tangible Capital Assets	880,311	830,369
Total Accumulated Surplus	$ 1,010,397	$ 947,094

12. COMMITMENTS AND CONTINGENCIES

a. Annexation

On February 14, 2007 the Lieutenant Governor in Council approved the request of the City of St. Albert to annex land from Sturgeon County ("County"). Effective January 1, 2007 the City's boundaries were extended to include all of the land that St. Albert had requested. The City is obligated to pay the County $800 at a rate of $80 per year starting in 2009 and ending 2018. In addition, the City paid tax sharing amounts to the County until 2013.

As of April 1, 2007 the City is responsible for the roadway maintenance and municipal services within the annexed area. The annexation brings within the boundaries of St. Albert the proposed alignment of Ray Gibbon Drive.

b. Legal Claims

As at December 31, 2016, the City was involved in various legal disputes. While it is not possible to estimate the outcome of these disputes, management believes that there will be no adverse effect on the City's financial position.

c. Lease Commitments

The City has entered into several operating lease agreements for space rental. Lease commitments over the next five years and thereafter are as follows:

2017	$	607
2018		638
2019		587
2020		565
2021		357
Thereafter		320
	$	3,074

13. PROPERTY TAXES

Property taxes revenue, reported on the Consolidated Statement of Operations and Accumulated Surplus, is comprised of the following:

	2016 Budget (Note 16)	2016	2015
Taxation			
Real Property Taxes	$ 123,585	**$ 122,242**	$ 117,596
Linear Property Taxes	1,090	**1,076**	1,090
Government Grants in place of property tax	-	**1,339**	1,288
Total Taxation	124,675	**124,657**	119,974
Requisitions			
Alberta School Foundation Fund	23,071	**23,071**	21,078
Opted Out School Board	7,279	**7,279**	7,074
Sturgeon Foundation Requisition	1,051	**1,104**	1,051
Other	80	**80**	80
Total Requisitions	31,481	**31,534**	29,283
Property Taxes Available for Municipal Purposes	$ 93,194	**$ 93,123**	$ 90,691

14. GOVERNMENT TRANSFERS

The City recognizes the authorized transfer of government funding and the expenses or revenues in the period that the events giving rise to the transfer occurred. The government transfers reported on the Consolidated Statement of Operations and Accumulated Surplus are:

	2016 Budget (Note 16)	2016	2015
Government Transfers for Operations			
Provincial Transfers	$ 3,548	**$ 4,294**	$ 3,885
Federal Transfers	252	**230**	215
Total Operating Transfers	3,800	**4,524**	4,100
Government Transfers for Capital			
Provincial Transfers	20,263	**20,143**	13,603
Federal Transfers	5,083	**2,473**	3,981
Total Capital Transfers	25,346	**22,616**	17,584
Total Government Transfers	$ 29,146	**$ 27,140**	$ 21,684

15. SALARIES AND BENEFITS DISCLOSURE

Disclosure of salaries and benefits for elected municipal officials, the chief administrative officer, and the designated officer is required by Alberta Regulation 313/2000. This information is not presented in thousands of dollars.

	Salaries (a)	Benefits and Allowances (b)	2016	2015
Mayor N. Crouse	$ 138,458	$ 8,050	$ **146,508**	$ 145,362
Councillor W. Brodhead	41,710	5,424	**47,134**	47,017
Councillor C. Heron	49,210	2,648	**51,858**	46,065
Councillor C. MacKay	38,410	3,856	**42,266**	42,278
Councillor S. Hughes	37,810	5,381	**43,191**	42,892
Councillor T. Osborne	43,810	6,133	**49,943**	47,523
Councillor G. Prefontaine	-	-	-	12,485
Councillor Russell	37,610	306	**37,916**	18,389
Chief Administrative Officer (c)	502,524	194,202	**696,726**	312,148
Designated Officer	146,602	38,380	**184,982**	174,523

a. Salaries

Salaries (a) above includes amounts received from an independent organization by the Mayor and Councillors when acting in their capacity. These amounts were paid through the City and are included in the City's expenses, in the consolidated financial statements.

b. Benefits and Allowances

Benefits and allowances (b) above, include any allowances, as well as the City's share of all employee benefits and contributions or payments made on behalf of employees including retirement pension, Canada Pension Plan, employment insurance, WCB, health care, dental coverage, vision coverage, group life insurance, accidental death and dismemberment insurance, long and short term disability plans, professional memberships, and car allowances.

c. Chief Administrative Officer (CAO)

Salaries, benefits, and allowances for the Chief Administrative Officer (CAO) includes outgoing CAO and interim CAO plus severance costs and related benefit payouts.

16. PENSION PLANS

a. Local Authorities Pension Plan

Approximately 621 (2015 – 621) employees of the City participate in the Local Authorities Pension Plan (LAPP), which is one of the plans covered by the Alberta Public Sector Pension Plans Act. The plan is financed by employer and employee contributions and investment earnings of the LAPP Fund. The City is required to make current service contributions to the LAPP of 11.39% (2015 - 11.39%) of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 15.84% (2015 - 15.84%) on pensionable earnings above this amount. Employees of the City are required to make current service contributions of

16. PENSION PLANS (cont'd)

a. Local Authorities Pension Plan (cont'd)

10.39% (2015 - 10.39%) of pensionable salary up to the year's maximum pensionable salary and 14.84% (2015 – 14.84%) on pensionable salary above this amount.

Total contributions by the City to the LAPP in 2016 were $6,434 (2015 - $6,141). Total contributions by the employees of the City of St. Albert to the Local Authorities Pension Plan in 2016 were $5,936 (2015 - $5,679). At December 31, 2015, the plan reported the value of its assets at $34.4 billion (2014 - $30.7 billion) and disclosed an actuarial deficiency of $0.92 billion (2014 – $2.5 billion). Plan asset and actuarial deficiency data as at December 31, 2016 were not yet available.

b. APEX

The APEX supplementary pension plan, an Alberta Urban Municipalities Association (AUMA) sponsored defined benefit pension plan covered under the provisions of the Alberta Employment Pension Plans Act, commenced on January 1, 2004. This plan provides supplementary pension benefits to a prescribed class of employees 18 beneficiaries (2015 - 20). The plan supplements the Local Authorities Pension Plan.

Contributions are made by the prescribed class of employees and the City. The employees and the City are required to make current service contributions to APEX of 2.50% and 3.00% (2015 - 2.50% and 3.00%) respectively, of pensionable earnings up to $145 (2015 - $141).Total current service contributions by the City to APEX in 2016 were $78 (2015 - $81). Total current service contributions by the employees of the City were $65 (2015 - $67).

The cost of post retirement benefits earned by employees is actuarially determined using the projected benefit method prorated on service, management's best estimate of salary and benefit escalation, and retirement ages of employees. The cost of post retirement benefits are fully funded.

As at December 31, 2016, the APEX supplementary pension plan has vested with approximately 86% of eligible employees. The City has disclosed contributions to the APEX plan.

c. MuniSERP

The MuniSERP supplementary overcap retirement plan extend LAPP and APEX pension benefit levels beyond the Canada Revenue Agency maximum. The plan commenced on January 1, 2003, and provides supplementary benefits to a prescribed class of employees (10 beneficiaries (2015 - 13)). MuniSERP supplements APEX and LAPP and is a voluntary, non-contributory, non-registered supplementary employee retirement plan. The cost of post retirement benefits earned by employees is actuarially determined using the projected benefit method prorated on service, management's best estimate of salary and benefit escalation, and retirement ages of employees. As at December 31, 2016, an actuarial costing has been completed along with corresponding disclosure of designated assets.

16. PENSION PLANS (cont'd)

The following presents the MuniSERP obligation as at December 31, 2016:

	2016	2015
Accrued Benefit Obligation		
Balance, Beginning of Year	$ 339	$ 282
Current Service Cost and Interest Cost	(84)	57
Balance, End of Year	$ 255	$ 339

There are no defined benefit plan assets.

The significant actuarial assumptions in measuring the City's accrued benefit obligation are as follows:

	2016	2015
Discount Rate	5.00 %	5.00 %
Rate of Compensation Increase	4.00 %	4.00 %

17. BUDGET FIGURES

Budgets established for capital acquisitions and related financing are calculated on a project oriented basis. As these transactions may be carried out over one or more years, they are not directly comparable with current year actual amounts.

The table below reconciles the consolidated annual surplus to the City's operating surplus based on the methods used in preparing its fiscal plan.

	2016 Budget	2016	2015
Annual Surplus	$ 49,102	$ 63,303	$ 57,793
Internal Transfers (net operating and capital)	44,954	(13,274)	(31,907)
Contributed Assets	-	(29,474)	(13,025)
Repayment of Long Term Debt	(3,929)	(3,929)	(3,755)
Loss (Gain) on Sale of Tangible Capital Assets	-	134	158
Amortization	-	22,757	21,644
Capital Costs	(90,127)	(39,517)	(30,908)
Operating Surplus	$ -	$ -	$ -

The budget data presented in these consolidated financial statements is based upon the 2016 operating and capital budgets approved by Council. Amortization, contributed assets and loss/gain of tangible capital assets were not contemplated in development of the budget and, as such, have not been included.

18. SEGMENTED INFORMATION

Segmented information has been identified based upon lines of service provided by the City. City services are provided by departments and their activities are reported by functional area in the body of the consolidated financial statements. Certain lines of service that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

a. General Government Services

The City's general services include its corporate functions, such as finance, information technology, human resources, taxation and assessment, legislative operations, and common and fiscal services.

b. Protective Services

The City contracts with the Royal Canadian Mounted Police for police protection, and holds a contract through Alberta Health Services to provide emergency medical services within the community. The City also operates a municipal fire department and provides bylaw enforcement services.

c. Recreation and Parks

The City owns large park systems such as the Red Willow Park and numerous community and neighbourhood parks and playgrounds. The City also provides a variety of recreational programs and services to residents on a year round basis.

d. Utility Services

Four utilities – water, wastewater, storm, and solid waste/recycling – are administered directly by the City. While these utilities are funded independently from municipal operations as per the City's Utility Rate Model, financial results are included with the City.

e. Transportation and Roadway Services

The City provides a number of maintenance and related services for streets, sidewalks, lighting, and equipment pool. Costs related to summer and winter road maintenance are also captured here. Roadway services provides service to other segments of the organization on a cost recovery basis, which is reflected in other expense recoveries.

f. Transit Services

St. Albert Transit is a municipally owned and operated transit service offering local and commuter routes for riders. St. Albert Transit operates on a subsidized fee for service basis.

g. Cultural Services

St. Albert has cultural programs, services, and events. The City of St. Albert Library and Arts & Heritage Foundation are included in Cultural Services on the Consolidated Statement of Operations and Accumulated Surplus.

18. SEGMENTED INFORMATION (cont'd)

h. Planning and Development Services

To ensure that the community is well planned and attractive for investment, the City is active in the area of land use planning, engineering, and economic development.

i. Family and Social Services

Social services include those provided by the City's Family and Community Support Services department, in addition to costs related to the St. Albert Cemetery and other community supports.

j. St. Albert Public Library

The St. Albert Public Library, (the "Library") was established in 1961 by St. Albert's Town Council under the provisions of the Provincial Libraries Act. The Library is governed by a separate Board, and provides programs and services to the residents of St. Albert and surrounding areas.

k. Arts and Heritage Foundation

St. Albert's Arts and Heritage Foundation (the "AHF") manages the Profiles Public Art Gallery, the Musee Heritage Museum, and various other local heritage sites. AHF also offers programs and exhibitions and ensures that historic buildings and significant artifacts are preserved.

18. SEGMENTED INFORMATION (cont'd)

The following tables report the financial operations for each of the above mentioned segments.

December 31, 2016	General Government Services	Protective Services	Recreation and Parks	Utility Services (Schedule 2)	Transportation & Roadway Services	Transit Services	Culture: Museums & Halls	Planning and Development Services	Family and Social Services	St. Albert Public Library	Arts and Heritage	Total 2016
Revenue												
Property Taxes	$ 93,123	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 93,123
Sales and User Fees	519	2,964	10,641	38,351	503	4,372	1,262	961	240	353	358	60,524
Government Transfers	2,955	1,585	1,908	2,348	11,849	742	1,451	2,236	1,566	371	129	27,140
Other Revenue	582	-	500	36	189	-	241	2	12	94	155	1,811
Fines and Penalties	974	5,420	-	-	-	-	-	-	-	-	-	6,394
Contracted Services Revenue	-	2,679	-	-	-	-	-	-	-	-	-	2,679
Licenses and Permits	833	372	-	-	24	-	-	2,667	-	-	-	3,896
Franchise Fees	2,209	-	-	-	-	-	-	-	-	-	-	2,209
Investment Income	1,446	17	102	775	134	54	18	5	-	8	-	2,559
Developer Contributions and Levies	365	-	-	69	(19)	-	-	-	-	-	-	415
Total Revenue	103,006	13,037	13,151	41,579	12,680	5,168	2,972	5,871	1,818	826	642	200,750
Expenses												
Salaries, Wages and Benefits	14,455	21,031	13,706	4,449	8,455	2,184	3,267	3,597	1,506	3,376	1,521	77,547
Contracted and General Services	1,052	3,192	2,573	7,969	3,443	8,158	1,980	788	336	375	291	30,157
Amortization	1,337	869	3,452	4,502	10,121	1,751	93	48	-	572	12	22,757
Purchases from Other Governments	-	8,079	-	10,660	-	-	-	-	-	-	-	18,739
Materials, Goods and Utilities	283	975	3,167	979	4,388	1,694	725	87	112	508	327	13,245
Transfers to Individuals & Organizations	187	-	-	16	(2)	-	1,835	97	1,103	-	(1,571)	1,665
Interest on Long-Term Debt	(4)	-	1,077	-	969	-	-	-	-	-	-	2,042
Other Expenses (Recovery)	231	861	1,227	789	(2,754)	20	113	87	13	5	44	636
Loss (Gain) on Disposal of Tangible Capital Assets	-	1	(20)	-	158	(11)	-	-	-	5	-	133
Total Expenses	17,541	35,008	25,182	29,364	24,778	13,796	8,013	4,704	3,070	4,841	624	166,921
Excess (Deficiency) of Revenue over Expenses before Other	85,465	(21,971)	(12,031)	12,215	(12,098)	(8,628)	(5,041)	1,167	(1,252)	(4,015)	18	33,829
Other												
Contributed Assets	-	-	-	10,515	9,306	-	74	9,579	-	-	-	29,474
Excess (Deficiency) of Revenue over Expenses	$ 85,465	$ (21,971)	$ (12,031)	$ 22,730	$ (2,792)	$ (8,628)	$ (4,967)	$ 10,746	$ (1,252)	$ (4,015)	$ 18	$ 63,303

CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2016 (in thousands of dollars)

18. SEGMENTED INFORMATION (cont'd)

December 31, 2015	General Government Services	Protective Services	Recreation and Parks	Utility Services (Schedule 2)	Transportation and Roadway Services	Transit Services	Culture: Museums & Halls	Planning and Development Services	Family and Social Services	St. Albert Public Library	Arts and Heritage	Total 2015
Revenue												
Property Taxes	$ 90,691	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 90,691
Sales and User Fees	233	1,270	10,501	39,693	533	4,398	1,211	862	234	338	367	59,640
Government Transfers	1,666	1,689	24	3,763	8,511	-	1,785	2,514	1,211	373	147	21,683
Other Revenue	473	4	501	40	1	-	285	18	29	55	144	1,550
Fines and Penalties	824	5,614	-	141	-	-	-	-	-	-	-	6,579
Contracted Services Revenue	-	2,593	-	-	-	-	-	-	-	-	-	2,593
Licenses and Permits	795	387	-	-	19	-	-	2,025	-	-	-	3,226
Franchise Fees	2,015	-	-	-	-	-	-	-	-	-	-	2,015
Investment Income	1,289	13	119	632	187	68	17	17	-	8	-	2,350
Developer Contributions and Levies	-	-	-	4,654	9,660	-	-	-	-	-	-	14,314
Total Revenue	97,986	11,570	11,145	48,923	18,911	4,466	3,298	5,436	1,474	774	658	204,641
Expenses												
Salaries, Wages and Benefits	13,010	18,872	13,487	4,722	8,270	2,258	3,151	3,434	1,354	3,191	1,515	73,264
Contracted and General Services	887	2,604	1,929	7,793	3,764	8,044	2,277	555	96	302	228	28,479
Amortization	1,201	827	3,408	4,278	9,548	1,687	78	46	-	555	16	21,644
Purchases from Other Governments	-	7,906	-	10,288	-	-	-	-	-	-	-	18,194
Materials, Goods and Utilities	315	844	3,308	739	4,584	1,749	829	84	55	506	372	13,385
Transfers to Individuals & Organizations	129	-	-	5	32	-	1,752	115	1,099	-	(1,520)	1,612
Interest on Long-Term Debt	-	-	1,177	-	1,040	-	-	-	-	-	-	2,217
Other Expenses (Recovery)	625	816	1,297	797	(2,852)	19	96	84	16	5	17	920
(Gain) Loss on Disposal of Tangible Capital Assets	-	5	4	(65)	18	185	-	-	-	-	11	158
Total Expenses	16,167	31,874	24,610	28,557	24,404	13,942	8,183	4,318	2,620	4,559	639	159,873
Excess (Deficiency) of Revenue over Expenses before Other	81,819	(20,304)	(13,465)	20,366	(5,493)	(9,476)	(4,885)	1,118	(1,146)	(3,785)	19	44,768
Other												
Contributed Assets	-	-	63	12,953	-	-	9	-	-	-	-	13,025
Excess (Deficiency) of Revenue over Expenses	$ 81,819	$ (20,304)	$ (13,402)	$ 33,319	$ (5,493)	$ (9,476)	$ (4,876)	$ 1,118	$ (1,146)	$ (3,785)	$ 19	$ 57,793

19. APPROVAL OF FINANCIAL STATEMENTS

Council and Management have approved these financial statements.

CITY OF ST. ALBERT

Year Ended December 31, 2016

SCHEDULE 1 - SCHEDULE OF RESTRICTED SURPLUS - RESERVES

	2015	Transfers	Reductions	2016
Operating Reserves				
General Government	$ 12,955	$ 5,829	$ (3,651)	$ 15,133
Children's Festival	141	4	-	145
Museum	109	9	-	118
Library	54	-	-	54
Subtotal	13,259	5,842	(3,651)	15,450
Arts and Heritage Foundation	76	21	-	97
Total Operating Reserves	13,335	5,863	(3,651)	15,547
Capital Reserves				
General Government	65,150	17,463	(14,673)	67,940
Library	393	202	(97)	498
Subtotal	65,543	17,665	(14,770)	68,438
Utilities	37,367	13,606	(5,284)	45,689
Total Capital Reserves	102,910	31,271	(20,054)	114,127
Total Restricted Surplus Reserves	$ 116,245	$ 37,134	$ (23,705)	$ 129,674

CITY OF ST. ALBERT

Year Ended December 31, 2016

SCHEDULE 2 - SCHEDULE OF UTILITY SERVICES

	Water	Wastewater	Storm	Waste	2016	2015
Revenue						
Sales and User Fees	$ 13,891	$ 11,463	$ 6,526	$ 6,471	**$ 38,351**	$ 39,693
Government Transfers	-	-	2,348	-	**2,348**	3,763
Other Revenue	36	-	-	-	**36**	40
Fines and Penalties	-	-	-	-	**-**	141
Investment Income	277	164	401	(67)	**775**	632
Developer Contributions and Levies	54	15	-	-	**69**	4,654
Total Revenue	14,258	11,642	9,275	6,404	**41,579**	48,923
Expenses						
Purchases from Other Governments	4,778	5,882	-	-	**10,660**	10,288
Contracted and General Services	1,670	1,791	786	3,722	**7,969**	7,793
Amortization	1,654	1,141	1,380	327	**4,502**	4,278
Salaries, Wages and Benefits	1,621	1,454	450	924	**4,449**	4,722
Materials, Goods and Utilities	648	192	78	61	**979**	739
Other Expenses	198	128	79	384	**789**	797
Transfers to Individuals & Organizations	16	-	-	-	**16**	5
(Gain) Loss on Disposal of Tangible Capital Assets	-	-	-	-	**-**	(65)
Total Expenses	10,585	10,588	2,773	5,418	**29,364**	28,557
Excess of Revenues over Expenses Before Other	3,673	1,054	6,502	986	**12,215**	20,366
Other						
Contributed Assets	2,092	1,333	7,090	-	**10,515**	12,953
Excess of Revenue over Expenses	$ 5,765	$ 2,387	$ 13,592	$ 986	**$ 22,730**	$ 33,319

Statistical Section

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GENERAL STATISTICAL INFORMATION

(Unaudited)

For the Years Ended December 31, 2012 - 2016 **(in thousands of dollars)**

	2016	2015	2014	2013	2012
POPULATION (2)	**64,645**	**63,255**	**63,255**	**61,421**	**60,944**
NUMBER OF DWELLING UNITS (5)	**26,140**	25,285	25,040	24,714	24,001
MUNICIPAL AREA (IN HECTARES)	**4,973**	4,973	4,973	4,973	4,973
BUILDING PERMITS VALUE (IN THOUSANDS)					
Residential	**133,412**	154,980	176,794	158,676	97,580
Commercial	**40,071**	21,920	19,363	42,569	16,340
Industrial	**78,056**	3,362	8,515	5,787	21,023
Institutional	**14,870**	39,554	63[illegible]	2,405	1,524
	266,409	219,816	205,305	209,437	136,467
BUILDING PERMITS ISSUED					
Residential	**690**	718	759	725	616
Commercial	**80**	70	68	74	66
Industrial	**35**	41	60	59	44
Institutional	**31**	31	20	21	16
	836	860	907	879	742
PARK AREA (IN HECTARES) (3)	**524**	522	515	510	513
TAX COLLECTION RATE (PERCENTAGE)	**97.56**	97.56	97.44	97.22	97.78
LONG TERM DEBT					
Long term debt **(IN THOUSANDS)**	**41,586**	45,515	49,270	52,858	56,821
Retired Within 5 Years	**52.0**	46.0	42.0	37.0	34.0
Retired Thereafter	**48.0**	54.0	58.0	63.0	66.0
RESIDENTIAL TAX INCREASE %	**0.6**	1.8	0.2	2.8	2.6
QUALITY OF LIFE SATISFACTION (4)	-	-	98	-	99
CONSUMER PRICE INDEX CHANGE (PERCENTAGE) (1)					
Alberta	**1.1**	1.1	2.6	1.4	1.1
Canada	**1.4**	1.1	2.0	0.9	1.5
UNEMPLOYMENT RATE(PERCENTAGE)(1)					
Alberta	**8.5**	6.0	4.7	4.6	4.5
Canada	**6.9**	6.9	6.9	7.1	7.0
CITY OF ST. ALBERT EMPLOYEES (6)	**620.00**	611.71	585.21	575.64	560.07
NET DEBT PER CAPITA	**643**	720	779	861	932

Notes

1. Consumer Price Index and Unemployment Rate data obtained from Statistics Canada
2. 2016 St. Albert Municipal Census Report is used for population
3. Provincial Parks and Urban Reserves are not included within Park Area Calculation
4. Quality of Life Satisfaction Survey was not completed in 2016
5. Number of Dwelling Units is based on Assessment Department data
6. Positions are stated in full time equivalents

TAXATION AND ASSESSMENT

For the Years Ended December 31, 2012 - 2016

	2016	2015	2014	2013	2012
TAX RATES					
Municipal - Residential	**7.476**	7.631	7.684	7.723	7.631
Municipal - Non-Residential	**10.470**	10.530	10.893	11.357	11.880
Public School (PROTESTANT)					
Residential	**2.436**	2.381	2.502	2.598	2.798
Non-Residential	**3.463**	3.247	3.392	3.504	3.500
Separate School (CATHOLIC)					
Residential	**2.436**	2.381	2.502	2.598	2.798
Non-Residential	**3.463**	3.247	3.392	3.504	3.500
ASSESSMENT (percentage change)					
Residential - Market Value	**1.55**	3.52	1.51	1.53	(1.81)
Residential - Growth	**2.59**	3.11	2.62	2.28	1.60
Non - Residential Market Value	**2.07**	6.70	5.48	7.79	6.41
Non - Residential Growth	**4.28**	5.15	4.90	2.97	3.46

TAXATION AND REQUISITIONS

For the Years Ended December 31, 2012 - 2016 (in thousands of dollars)

	2016	2015	2014	2013	2012
TAXATION					
Real Property Taxes	$ **122,243**	$ 117,596	$ 111,529	$ 107,877	$ 104,085
Linear Property Taxes	**1,076**	1,090	1,110	1,059	1,139
Government Grants in Place of Property Taxes	**1,339**	1,288	1,082	1,032	1,022
	124,658	119,974	113,721	109,968	106,246
REQUISITIONS					
Alberta School Foundation Fund	**23,072**	21,078	20,404	27,082	19,134
Opted Out School Board	**7,279**	7,074	7,069	-	8,355
Sturgeon Foundation Requisition	**1,104**	1,051	1,007	947	940
Other	**80**	80	80	291	284
	31,535	29,283	28,560	28,320	28,713
TAXES AVAILABLE AND COLLECTED FOR MUNICIPAL PURPOSES	$ **93,123**	$ 90,691	$ 85,161	$ 81,648	$ 77,533

TAXABLE ASSESSMENT AND GOVERNMENT GRANTS IN PLACE OF PROPERTY TAXES

For the Years Ended December 31, 2012 - 2016 (in thousands of dollars)

	2016	2015	2014	2013	2012
TAXABLE ASSESSMENT					
Residential	**$ 10,122,507**	$ 9,711,715	$ 9,097,802	$ 8,733,438	$ 8,410,660
Commercial	**1,021,749**	968,305	868,053	776,984	684,622
Industrial	**460,412**	417,954	369,993	333,233	307,784
Linear and M & E	**76,841**	78,738	77,811	74,727	74,481
	11,681,509	11,176,712	10,413,659	9,918,382	9,477,547
GOVERNMENT GRANTS IN PLACE OF PROPERTY TAXES	**99,035**	97,244	77,141	74,465	68,228
TOTAL TAXABLE ASSESSMENT AND GOVERNMENT GRANTS IN PLACE OF PROPERTY TAXES	**$ 11,780,544**	$ 11,273,956	$ 10,490,800	$ 9,992,847	$ 9,545,775
TOTAL TAXABLE ASSESSMENT AND GOVERNMENT GRANTS IN PLACE OF PROPERTY TAXES (PERCENTAGE)					
Residential	**85.9**	86.1	86.7	87.4	88.1
Commercial	**8.7**	8.6	8.3	7.8	7.2
Industrial	**3.9**	3.7	3.5	3.3	3.2
Linear and M & E	**0.7**	0.7	0.8	0.8	0.8
Grants in Place	**0.8**	0.9	0.7	0.7	0.7
RESIDENTIAL / NON-RESIDENTIAL SPLIT* (PERCENTAGE)					
Residential	**85.9**	86.2	86.8	87.4	88.2
Non-Residential	**14.1**	13.8	13.2	12.6	11.8

* With grant in place allocated between residential and non-residential.

TAX COLLECTION

For the Years Ended December 31, 2012 - 2016 (in thousands of dollars)

	2016	2015	2014	2013	2012
CURRENT LEVY	**$ 124,725**	$ 120,089	$ 113,831	$ 110,052	$ 106,327
TAXES RECEIVABLE					
Current	**2,086**	1,750	1,869	2,110	1,613
In Arrears for More than One Year	**953**	1,180	1,042	947	751
	$ 3,039	$ 2,930	$ 2,911	$ 3,057	$ 2,364
TAXES OUTSTANDING, BEFORE ALLOWANCE					
Total %	**2.44 %**	2.44 %	2.56 %	2.78 %	2.22 %

Note that 14 principle taxpayers made up 5 per cent of the 2016 tax levy; therefore, no undue reliance is placed upon any one taxpayer.

TOTAL LONG-TERM DEBT AND LONG-TERM DEBT SERVICING LIMITS

For the Years Ended December 31, 2012 - 2016 (in thousands of dollars)

	2016	2015	2014	2013	2012
Long-Term Debt					
Tax Supported	**$ 41,586**	$ 45,515	$ 49,270	$ 52,858	$ 56,821
	41,586	45,515	49,270	52,858	56,821
TOTAL LONG-TERM DEBT					
Maximum Allowable Annual Debt Servicing	**$ 44,533**	$ 46,735	$ 40,333	$ 40,261	$ 36,627
Annual Servicing on Existing Debt	**6,000**	6,000	6,000	6,000	6,564
Amount of Limit Used (Percentage)	**13**	13	15	15	18

RESTRICTED SURPLUS RESERVE BALANCES

For the Years Ended December 31, 2012 - 2016 (in thousands of dollars)

	2016	2015	2014	2013	2012
OPERATING RESERVES					
General Government	**$ 15,133**	$ 12,955	$ 10,189	$ 7,419	$ 6,231
Children's Festival	**145**	141	123	199	197
Museum	**118**	109	100	91	82
Library	**54**	54	54	57	67
Subtotal	**15,450**	13,259	10,466	7,766	6,577
Arts & Heritage Foundation	**97**	76	37	27	8
Total Operating Reserves	**15,547**	13,335	10,503	7,793	6,585
CAPITAL RESERVES					
General Government	**67,940**	65,150	48,648	47,104	23,772
Library	**498**	393	377	450	248
Subtotal	**68,438**	65,543	49,025	47,554	24,020
Utilities	**45,689**	37,367	24,459	18,602	16,450
Total Capital Reserves	**114,127**	102,910	73,484	66,156	40,470
TOTAL RESTRICTED SURPLUS RESERVES	**$ 129,674**	$ 116,245	$ 83,987	$ 73,949	$ 47,055

KEY COMPONENTS OF FINANCIAL POSITION

For the Years Ended December 31, 2012 - 2016 (in thousands of dollars)

	2016	2015	2014	2013	2012
Total Financial Assets	$ 191,427	$ 171,141	$ 152,441	$ 128,718	$ 107,181
Total Financial Liabilities	104,874	101,479	118,760	111,204	121,873
Net Debt	86,553	69,662	33,681	17,514	(14,692)
Total Non-Financial Assets	923,844	877,432	855,620	830,275	775,792
Total	1,010,397	947,094	889,301	847,789	761,100
Key Components of Financial Assets Include:					
Cash and Cash Equivalents	12,805	37,403	27,680	43,015	21,176
Investments	160,245	118,057	111,248	72,615	74,194
Key Components of Financial Liabilities Include:					
Long-Term Debt	41,586	45,515	49,270	52,858	56,821
Key Components of Non-Financial Assets Include:					
Tangible Capital Assets	921,897	875,884	854,363	828,880	774,492
Key Components of Accumulated Surplus Include:					
Invested in Tangible Capital Assets	880,311	830,369	805,094	776,022	717,671
Restricted Surplus - Reserves	$ 129,674	$ 116,245	$ 83,987	$ 73,949	$ 47,055

	2016	2015	2014	2013	2012
ACQUISITIONS OF TANGIBLE CAPITAL ASSETS					
Building Improvements	$ 912	$ 151	$ 699	$ 1,540	$ 1,435
Library Collections	400	413	445	509	445
Land Improvement	787	1,095	1,297	1,184	841
Engineered Structures	40,410	26,347	24,034	20,700	16,309
Buildings	143	39	269	(1,987)	4,439
Machinery and Equipment	3,206	2,436	3,049	1,881	1,960
Land	12,718	-	11,882	29,253	1,772
Vehicles	2,612	3,051	2,160	1,200	1,886
Assets Under Construction	7,803	10,401	2,793	20,265	13,299
TOTAL TANGIBLE CAPITAL ASSET ACQUISITIONS	$ 68,991	$ 43,933	$ 46,628	$ 74,545	$ 42,386

REVENUE BY OBJECT, EXPENSE BY FUNCTION , AND ANNUAL SURPLUS

For the Years Ended December 31, 2012 - 2016 (in thousands of dollars)

	2016	2015	2014	2013	2012
REVENUE AND OTHER					
Property Taxes	**$ 93,123**	$ 90,691	$ 85,161	$ 81,648	$ 77,533
Sales and User Fees	**60,524**	59,640	52,691	49,465	45,898
Government Transfers	**27,140**	21,684	24,401	37,365	27,533
Fines and Penalties	**6,394**	6,578	4,310	3,704	4,140
Developer Contributions and Levies	**415**	14,314	3,092	11,318	3,779
Contracted Services Revenue	**2,679**	2,593	2,933	2,436	2,424
Licenses and Permits	**3,896**	3,226	2,880	2,846	2,125
Other Revenue	**1,811**	1,550	2,048	984	2,078
Franchise Fees	**2,209**	2,015	1,943	1,788	1,877
Investment Income	**2,559**	2,350	2,153	1,648	1,201
TOTAL REVENUE BY OBJECT	**200,750**	204,641	181,612	193,202	168,588
EXPENSE BY FUNCTION					
Protective Services	**35,008**	31,874	29,585	29,293	27,756
Utility Services	**29,364**	28,557	28,584	26,299	25,504
Recreation and Parks	**25,182**	24,610	23,687	23,630	23,713
Transportation and Roadway Services	**24,778**	24,404	24,841	23,597	21,638
General Government Services	**17,541**	16,167	13,921	12,222	12,268
Transit Services	**13,796**	13,942	13,350	12,775	12,777
Cultural Services	**13,478**	13,381	11,261	10,830	11,212
Planning and Development Services	**4,704**	4,318	4,311	3,747	3,885
Family and Social Services	**3,070**	2,620	2,577	2,700	2,680
TOTAL EXPENSE BY FUNCTION	**166,921**	159,873	152,117	145,093	141,433
ANNUAL SURPLUS	**33,829**	44,768	29,495	48,109	27,155
Contributed Assets	**29,474**	13,025	12,017	38,580	2,093
BEGINNING ACCUMULATED SURPLUS	**947,094**	889,301	847,789	761,100	731,852
ACCUMULATED SURPLUS END OF YEAR	**$ 1,010,397**	$ 947,094	$ 889,301	$ 847,789	$ 761,100

EXPENSES BY OBJECT

For the Years Ended December 31, 2012 - 2016 (in thousands of dollars)

	2016	2015	2014	2013	2012
Salaries, Wages and Benefits	**$ 77,547**	$ 73,264	$ 69,240	$ 65,623	$ 62,437
Contracted and General Services	**30,157**	28,480	26,387	23,835	22,814
Amortization	**22,757**	21,644	20,746	19,872	19,264
Purchases from Other Governments	**18,739**	18,194	17,104	16,600	14,920
Materials, Good and Utilities	**13,245**	13,384	13,962	13,910	13,508
Transfers to Indiviuals & Organizations	**1,665**	1,612	1,860	1,938	2,831
Interest on Long Term Debt	**2,042**	2,217	2,384	2,557	2,748
Other Expenses (Recovery)	**636**	920	535	552	1,475
(Gain)/Loss on Disposal of Tangible Capital Assets	**133**	158	(101)	206	1,436
TOTAL EXPENSES	**$ 166,921**	$ 159,873	$ 152,117	$ 145,093	$ 141,433

2016 Annual Report

City of St. Albert

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